THE EVENING TELEGRAPH.

VOL. VI.---No. 132. PHILADELPHIA, TUESDAY, DECEMBER 4, 1866. DOUBLE SHEET---THREE CENTS.

NATIONAL BUDGET.

Opinions of the Public Press on the Message and Documents.

Editorial Comments of Philadelphia and New York Journals.

Etc., Etc., Etc., Etc., Etc., Etc.

The Message and Documents.

From the North American and U. S. Gazette, Radical Republican.

At present we shall consider these documents together, as forming parts of the one general presentation of the state of affairs and of the views and policy of the government. The first thing that occurs to the reader of these documents is the their whole tone, especially that of the President' message, is very decidedly moderated from th h gh and insolent bearing which so incensed both Congress and the nation. There is really nothing to complain of in the language or temper of any of these documents. It is apparent even to th most superficial observer that they are all ex tremely guarded, and that an effort has been mad to assume an air of courtesy and deference to th people's representatives, for which the election have probably afforded the hint. We may diffe from the sentiments advanced, but no one can deny that the opinions held by the writers of th documents are stated in very moderate terms Looking at the sentiments themselves, we find them to be identical with those advanced in the documents of last year, and the policy advocated by the President does not differ a hair's breadth from that he has rendered so offensive; so that all the professions in favor of impartial suffrage must have been intended to deceive those who undertook to deal with him. Not a step is taken in the direction of any conciliation with Congress, nor is any plan of agreement even hinted at. Just as the plan of admitting the rebel States unconditionally was submitted last year, it is repeated in the present message.

The statement made by this document is so smooth, plausible and insinuating, that many persons will probably overlook the misrepresentations it contains. The President, for example, says that the enforcement of the laws is no longer obstructed in any State by combinations too powerful to be suppressed by the ordinary course of judicial proceedings, which certainly is not the fact. All over the south bands of regulators oppress the Union men and the freedmen, burn their houses, flog and even kill them, and no judicial proceedings can reach the outlaws. No attempt has been made to enforce the Civil Rights act, and the combinations at the south have rendered it a dead letter. It is curious that the President wholly ignores that statute in his message. The Freedmen's Bureau receives the cold shoulder in about the same style. The message says that "the animosities engendered by the war are rapidly yielding to the beneficent influences of our free institutions, and to the kindly effects of unrestricted social and commercial intercourse." We wish it were so, but it is not. The frightful outrages that darkened the early history of Kansas have been transcended in magnitude and iniquity all over the south. The reign of terror is everywhere south fully established, and there is really no protection there for northern men or loyalists or freedmen.

The President rehearses his reconstruction efforts, for the purpose of again meddling with a matter of which Congress alone has constitutional jurisdiction—the admission of members from the rebel States. The triumphant manner in which the people have sustained Congress is coolly disregarded by this message. It is not necessary to traverse this portion of the document, and we notice it now only to call attention to the fact that all the attempts at a new basis of arrangement have failed, and that the President yields nothing whatever to public opinion as declared in the elections. The President does not even attempt to present a reasonable excuse for interfering with the rolls of members of Congress, and it is not likely that either House will pay any attention to what he says on the subject. It is plain that it was written for the public and not for Congress, and hence the moderate language used. The Secretary of the Treasury goes out of his way in his report to meddle with the same matter, and to give it as one of measures indispensable to the proper regulations of our finances. He makes the attempt to induce people to believe that the policy of Congress on reconstruction impairs the value of our public securities. Of course this argument is intended only to create opinion among the people hostile to Congress

The President's Message.

From the Inquirer, Moderate Republican.

The Message of the President of the United States to Congress has this merit about it, that although the views of the Executive are decided as to the policy which should be adopted in regard to States lately in rebellion, the tone is moderate. In looking over it we cannot discover anything that is absolutely new. The President recites the story of the measures which he had adopted prior to the last session of Congress in relation to the means of reconstruction, and argues as he then argued, that those States should be admitted to Congress upon their presentation of "loyal men" as Senators and Representatives. In denominating the persons who have been elected to those positions "loyal," the President assumes the whole question. Congress, during the war, determined the test of loyalty, and prescribed the oath which should be taken by all officers who were chosen to discharge duties under the Government. It is notorious that a very large proportion of the individuals who have been chosen in the Southern States, to represent them in Congress, cannot take that oath, unless they are willing to perjure themselves, and that they were elected in defiance of the law upon the subject. It is, therefore, a fact, that no State lately in rebellion has commissioned "loyal" men, and if Congress, without further guaranties, were willing to admit Representatives from those States, there would be very few who are competent. But throughout his Message the President begs the question, and proceeds with his arguments as if it were admitted that there is no controversy upon the subject.

There is much force in the plea of the President that it will be judicious to admit Representatives from the late insurgent States as soon as it can be done without injury to the Government. But the defect in the Message is, that he does not refer to the obstacles which undoubtedly exist, and which must be entirely removed before Congress would be justified in relaxing its position. The Constitutional Amendments prescribe nothing more than is absolutely necessary, unless we are so foolish as to allow the Southern States to come back into Congress with no pledges for future good behavior. If nothing had ever happened to break off the connection of the Southern States with the Government—if they had not withdrawn violently and contemptuously from Congress and endeavored to overthrow the Government, every argument of the President would be unanswerable. But its weakness is, that it does not recognize the fact that past misdeeds need punishment and the necessity of material guaranties for future loyalty and obedience to the laws. Hence, when he argues that by the Constitution each State shall have at least one Representative, and that no State shall without its consent be deprived of equal suffrage in the Senate, he fails to notice that the States for which he pleads *did* consent to be deprived of such rights, and declared that they would have no Representatives either in the House or Senate, and solemnly washed their hands of all participation in the Government.

The President argues that they have a right to play fast and loose, and that the Congress of the United States has no alternative but to submit to their whims when they withdraw, endure their treason while attempting to keep out, and to admit them with humble gladness, when, having failed in their object, they choose to come back. This course is not one which a high spirited nation will adopt, and when it is asserted, as it is in effect by the President, that certain States have a right to trifle with and outrage their obligations, and then to resume them at their pleasure, he makes a suggestion which is contrary to human nature. Considering that the Constitutional Amendments were proposed by Congress, representing the loyal people of the United States, and that they have been supported by amazing majorities on the popular vote, and upon the direct issue whether the policy of the President should be ratified, it would have been decent at least in the President to pay some attention to that subject, and to point out, if he could, in what particulars those propositions were harsh, burdensome or wrong. But he argues as if nothing had ever existed which militated against his own plans, and he asks Congress to adopt arguments which can only be sanctioned by perfect forgetfulness of all that has passed. We do not imagine that the President will have the least influence upon Congress. The ultimatum of the people is the adoption of the Constitutional Amendments by the Southern States. If they will not do so, it is not likely that anything more mild and conciliatory will be proposed, and something much more severe will be advocated.

The Message.

From the Public Ledger, "Independent Johnson Democrat."

The anxiety to see the annual message of the President of the United states was gratified yesterday, by the prompt sending of that document to Congress, and its equally prompt publication by the newspapers in a popular form. It is a plain and clear statement of the principal topics in our national affairs now pressing upon the attention of the country. It is moderate and statesmanlike in its tone, and, as was said in these columns yesterday, is calculated rather to soothe than to excite apprehensons in the public mind. Its two principal subjects are the question of reconstruction and our relations with France and Mexico.

Reconstruction is substantially committed to the judgment and action of Congress, the only point remaining to be acted upon—namely, the readmission of the Representatives from the ten unrepresented States—be ongiug exclusively to that body. The President recommends, as a matter of sound policy and commercial interest, as well as of justice, that the Representatives from these States shall be admitted, as was done in the case of Tennessee at the last session. This recommendation is supported by a very full argument, but beyond this the President does not go in his Message. So far as our complications with France on the Mexican question are concerned, the subject stands almost identically as we stated it yesterday.

The French troops are to be removed from Mexico in accordance with an understanding with the French Government, but whether they are to be removed in separate detachments at intervals of two or three months, or in one body, at a period somewhat later than the time fixed for the withdrawal of the first detachment, is the matter now in controversy. The two Governments seem just now to be in conflict upon this point, but there is reason to believe that their opposing views will be adjusted without much trouble.

The other topics of the Message are, in the main, brief references to subjects more fully set forth in the reports of the heads of Departments, which we publish either in full or in a condensed shape in other places, in this morning's issue.

The Message.

From the Daily News, Johnson Organ.

The President deems it "a subject for profound regret that Congress has thus far failed to admit to seats loyal Senators and Representatives from the other States, whose inhabitants, with those of Tennessee, had escaped in the Rebellion." "Their admission," the President believes, "would have accomplished much towards the renewal and strengthening of our relations as one people, and removed serious cause for discontent on the part of the inhabitants of those States."

"It would have accorded," says the President, "with the great principle enunciated in the Declaration of American Independence, that no people ought to bear the burden of taxation, and yet be denied the right of representation." He refers to the fact that *all* the States whose people were in insurrection were included in the apportionment of the direct tax of twenty millions of dollars annually laid upon the United States by the act of August, 1861. "Ten years hence, if these States remain as they are, the right of representation will be no stronger, the right of exclusion will be no weaker." The argument of the President on this subject is unanswerable, and, as compared with the disunion twaddle of radical orators and journalists, it is refreshing.

The Message is, beyond question, an admirable document; and, as we take it for granted that each of our readers will peruse it at length, we forbear further comment at this time. The President now urges now the action of Congress, and with its members are the issues of peace and harmony throughout the country, or discord and strife.

"Occasional" on the Message.

["My Dear Mr. Secretary," the Hon. John W. Forney, is not to be caught dirtying his fingers by handling the President's Message editorially. The *Press* ignores the document in its sanctum, and lays it on the shelf to dry, in this letter dated at Washington and signed "Occasional:"]—

The first day of the second session of the Thirty-ninth Congress has just closed, and all the indications are auspicious. The President's Message has produced little more impression than a sleepy editorial in the *National Intelligencer*. It is the old story of treachery disguised in some of Mr. Seward's faded rhetoric, and touched off with the cheap logic of an obsequious Attorney-General. So far from an original idea, it is the dismal iteration of rejected heresies and threadbare falsehoods—so weary that it was listened to without an apparent emotion, and at the end, and before its reading was finished, the galleries were almost cleared.

Even the adherents of the President, in every case his old opponents, held to him by the ties of office, or the expectation of office, have no word to say in its vindication. The great majorities in Congress treated it with open contempt and laughed at it as an argument a thousand times refuted, and as the last feeble enunciation of a recreant who, although universally repudiated by his constituents, is still weak enough to adhere to his "policy," and vain enough to believe that any class of the people continue sincerely to favor it. The indifference with which the Message was received was not the least significant event of the day.

The passage of the bill repealing that section of the act of Congress, July 17, 1862, authorizing the President to extend amnesty to the Rebels, by an overwhelming vote in the House, is only the beginning of curative and retributive legislation. So, too, of Judge Kelley's proposition to dismantle and remodel the whole internal revenue system, which, on a suspension of the rules, was referred to the proper committee. This measure removes the whole patronage, under that tremendous system, from the President and the Secretary of the Treasury, and gives it to the Supreme Court of the United States.

Another great remedy is the bill of Hon. Thomas Williams, of the Pittsburg or Alleghany (Pa.) District, soon to be reported, substantially providing for the suspension of the functions of any officer while he is on trial for crimes and misdemeanors before the United States Senate. The passage of such a statute closes the legal gap in the impeachment argument, and crystallizes the full power in Congress. The discussion of Andrew Johnson's outrages upon solemn law and executive honor has established the necessity of such legislation, and you may rest assured that neither his own intrigues nor the threats of his parasites, including the recent traitors, will deter Congress from discharging all their duties, even if among them is his own impeachment.

The Message.

From the Age, Radical Democrat.

The idea that the States were ever out of the Union is combated with entire success by the President. He shows that Mr Lincoln, in his proclamation of September 22, 1862, spoke of the constitutional relations between the United States and each of the States as being "suspended or disturbed," not broken or destroyed, and declared that the object of the war was to remove the disturbing causes, and allow the States to resume their old practical relations with the national Government.

The President establishes the fact that the States were never out of the Union, and having done this it follows that when armed resistance to law and constitutional authority ceases, the practical relations between the States and the national Government should be restored, and representation should be accorded to South Carolina and Georgia upon the same principle that it is given to Pennsylvania and Maine.

The position of the President upon this question of reconstruction and representation will be eminently satisfactory to the true friends of republican liberty in the nation. It is in full harmony with the theory of our Government and the teachings of the men who framed it, and also has the sanction of a succession of acts and declarations from the very party which is now agitating in favor of consolidation and despotism. The line formerly drawn by the President between himself and the radical party upon this vital issue has been again marked out with unmistakable distinctness, and the contest is now, State rights and constitutional representation, on the one hand; and on the other, Congressional usurpation and national consolidation. The battle upon those issues will now be opened in Congress.

THE NEW YORK PRESS.

From the Times.

It will be seen that the President offers nothing new. His statement of the case is a reiteration of the statement heard many times within the last nine months; his arguments have all been used before; and his recommendation is chiefly noticeable as evidence that he has learned nothing from the elections, and forgotten nothing in connection with his struggle with Congress. In no respect does the President attempt to meet, or even indirectly to recognize, the recent manifestations of public opinion throughout the States which elevated him to office. On the contrary, he explicitly declares that his "convictions, heretofore expressed, have undergone no change," and that "their correctness has been confirmed by reflection and time."

This exhibition of unyielding purpose on the part of the President may not occasion surprise to those who know the firmness of will which marks his character. We cannot but consider it, however, a serious error of judgment, and a source of difficulty which we would gladly have seen averted in the session now opened. It has suited the Democratic press to belittle the significance of the recent elections; but only something a little short of judicial blindness can have led Mr. Johnson to rely upon the Democratic rendering of popular opinion. He, of all men, should be able to estimate correctly the import of the verdict pronounced at the polls.

When they decided against him, therefore—when they repudiated his policy and ranged themselves on the side of Congress—it became his duty, not indeed to abandon his convictions, but to accept the will of the people as the law of his Administration, and either to withdraw all opposition to the Congressional plan, or to propose some new basis of adjustment. By neglecting to pursue one or the other of these courses he has lost the last opportunity of effecting a reconciliation with the great majority of the party that elected him, and has furnished a weapon to his adversaries which they will wield to his detriment.

We deem it probable that the foreign portion of the Message will, as a whole, prove unpalatable to those whom it directly concerns. Neither France nor Great Britain will indulge in ecstacies on the occasion. But that nothing very alarming is feared in Wall street may be inferred from the remarkable steadiness of the market for gold and national securities yesterday after the contents of the Message had become known.

From the Herald.

The President's Message is before our readers. They will find it, as an exhibit of the working of the several Executive Departments during the last year, an interesting, instructive, and satisfactory State paper, while upon the great issue of Southern reconstruction, it reads like a chapter from "The World before the Deluge." Mr. Johnson devotes two tedious newspaper columns to a defense of his last year's measures and general ideas of Southern restoration, including some beautiful extracts from Washington's Farewell Address, and from Jefferson and Jackson, in support of his theory of State rights and the powers of Congress, and then no more on the subject. It is an argument to the court after the jury had rendered their verdict. It may be compared to a history of France, omitting the revolution which overthrew the Bourbons, as a trivial matter, not worth mentioning in pleading their claims to the throne.

It is, indeed, remarkable that after deliberately submitting his Southern policy against the plan of Congress to the people in the late elections, the President should not have a word to say of the will of the people, as made manifest in these elections. He talks of "the ancient landmarks," as if none of them had been swept away by the late Southern deluge of fire and blood, as if the war had changed nothing, and as if the recent elections had decided nothing. In a word, Mr. Johnson forgets that we have passed through the fiery ordeal of a mighty revolution, and that the pre-existing order of things is gone and can return no more—that a great work of reconstruction is before us, and that we cannot escape it.

Indeed, the gist of the Message may be summed up in the simple remark that it turns over to Congress the settlement of our domestic and our foreign troubles, and we can only hope that the two Houses will rise to the demands of the crisis, and prove equal to the task assigned them.

From the World.

It is probable that the Republican members of Congress knew of the President's inflexibility when they held their infuriated caucus, on Saturday evening. But this is a point of no consequence. What is certain, and what the country is most concerned to know, is, that the President remains immovable, and Congress belligerent. The elections have not awed him into any degree of submissiveness, and he restates his position with a masculine, convincing clearness, which must produce a favorable impression upon all candid men. He does not deign to pay the Constitutional Amendment even the cold compliment of a passing allusion; nor is there any reason why he should.

If, when the Legislatures have all acted upon the amendment, the rejections are more than one-fourth of the whole number, the amendment will be just as dead as it had failed to get a two-thirds vote in Congress. That this is to be the result no intelligent man doubts; and why should the President have occupied space with a measure which long since passed beyond the control of Congress, and is far on its way towards the limbo of lost or abortive things?

Both the tone and the arguments of the Message, on this leading topic, are excellent. In dignity, decorum, and chaste simplicity of language, few messages ever sent to Congress have been more creditable. It is entirely free from the asperity sometimes too freely exhibited in Mr. Johnson's popular speeches. In his reasoning there is nothing withdrawn; there are no retches of ingenuity; but a straightforward presentation of the solid grounds of his policy. If the exclusion of part of the States from Congress is justifiable now, it will be equally justifiable ten, twenty, fifty years hence.

The logical consequence is a perpetual dissolution of the Union. The reasons for the admission of the States are as strong now as they will ever be. The mere lapse of time can add nothing to the force of a constitutional obligation. There is no argument for excluding them now which is not equally good for excluding them forever. But if the result of the war is the final dismemberment of the Union, it is something very different from what the Republicans promised while the war was in progress.

From the Tribune.

It is not so much what the President says as what he declines to say. The first impression of the message is that his Excellency is chastened. He makes no allusions to Congress hanging on the verge of the Government. This is something from an Executive who has been in the most unreasonable humor for so many months. Mr. Pierce could not have written a weaker message. Congress would as readily have heard an essay upon the cause of thunder as this tame and harmless disquisition. There is much that the President regrets. There are some good words from Washington and Jefferson, likewise Jackson. We marvel that his Excellency neglected the other fathers of their country. For any living fact, for any suggestion, for any helpful thought, we might as well turn to the last novel of Mr. Trollope as to this Message. Ephraim seems irrevocably joined to his idols.

There is much that Mr. Johnson might have done He has missed many golden opportunities—but none so glorious as this. Congress came from the people magnanimous and kind. There was no disposition to remember anything that had been done—not even the shameless antagonism to the people in the recent elections. All good men trusted that one word might be said which would show a disposition on the part of the President to reach a solution of the many difficulties surrounding the country. All that his Excellency has done was no longer remembered when we saw the peace he might bring to a harassed nation, loving kindness and rest.

We believe that there was no feeling of resentment to the President, not even in the hearts of the most radical members of Congress, that would not have given away before the slightest tendency of the President to harmonize the country. In his Message he shows no such tendency. He clings to his dogmas with as much tenacity as when he hoped to carry the country in the late elections. There is not one word for the negro—not one word for the loyal in the South—not one sentence which might not as well have been written a hundred years ago as to-day, for all the comfort and truth it brings.

We have no heart to dwell upon this dreary, lifeless document. There is nothing that any loyal man can read with comfort or hope Andrew Johnson is as much an enemy as when he menaced the nation from his White House steps ten months ago. He does not mean to aid us in the work of reconstruction. The duty devolving upon Congress becomes more solemn and responsible, and we look to Congress with infinite wearsing. Let there be kindness and patience, charity towards all, malice towards none, firmness and devotion; but, above all, a single-hearted determination come well or ill, despite Presidents or Cabinets, to labor without ceasing, until over this land there shall be peace and rest, liberty and protection, and all rights for all.

THIRD EDITION

EUROPE.

To-day's London, Liverpool, Berlin, Frankfort, and Hamburg Telegrams.

By Atlantic Submarine Telegraph Cables

Great Reform Meeting in London

More About John E. Surratt.

Latest Commercial and Financial News.

Etc., Etc., Etc., Etc., Etc., Etc.

The Liverpool Cotton Market.

LIVERPOOL, December 4—Noon.—The Cotton Market opens steady at yesterday's quotations.

The Manchester market is quiet and unchanged.

London Money Market.

LONDON, December 4—Noon.—The following are the opening quotations for American securities:—United States 5-20s of 1862, 70½; do. do., 1865, 69½; Erie Railroad shares, 46½; Illinois Central shares, 77.

United States Bonds in Germany.

LONDON, December 4—Noon.—Despatches received from Berlin, Frankfort, and Hamburg, quote United States bonds firm.

Failure of a London Banking Firm.

LONDON, December 4—Noon.—The acceptances of Abraham Trovel & Sons have been protested.

Immense Reform Demonstration in London—Huge Procession of the Trade Societies—The "Stars and Stripes" Carried to the "Wearing of the Green."

LONDON, December 4.—The demonstration made yesterday by all the trade societies of London, in aid and approval of the Parliamentary reform movement, constituted the most important political event which has ever taken place or been witnessed in this country.

As John Bright anticipated, in his speech at Manchester a few days since, fully fifty thousand men paraded and formed in the procession, and there would have been many thousands more present but for the rain which fell during that day.

There were forty-seven trade societies, with many branches of the Reform League organization. The members were formed by their officers into four divisions, each division being accompanied by a band or bands of music, and having appropriate devices on fine banners, quite in the American style.

This huge procession was formed in St. James' Park at noon, and started at a given word, marching along Pall Mall, Piccadilly and other prominent thoroughfares to Beaufort House grounds, in the suburbs of the city.

An immense meeting took place here in the evening. There were seven platforms, occupied by fifty popular speakers and leaders of the people.

During the march of the procession all the stores or shops along the route were closed and kept shut. The streets were crowded, perfectly "alive" with people. The windows were filled with spectators. There was great enthusiasm exhibited on all sides. The men behaved in a very orderly manner.

Among the flags borne prominently in the procession was that of "the Stars and Stripes," and among the airs played by almost every band, was "The Wearing of the Green."

MR. BRIGHT PRESENT.

LONDON, December 4.—John Bright was present at the great reform demonstration which took place in London yesterday. There were probably fifty thousand people in the procession, in spite of a heavy rain, only a portion of whom could enter the grounds where the meeting was held.

Resolutions were passed amid great enthusiasm. At the conclusion the people dispersed peaceably.

Mr. Bright addressed an immense audience last night.

JOHN E. SURRATT.

His Arrest in the Ranks of the Papal Army—His Escape.

Florence (Nov. 14) Correspondence of London Post.

It is stated that J. E. Surratt (one of the persons charged with complicity in the assassination of the late President of the United States, Abraham Lincoln) has been serving for some time past in the Papal Zouaves his company being quartered at Veroli, one of the frontier towns of the Appenines, near Cresmone.

He had assumed and was known in his regiment by the name of John Watson. Information of this fact having been communicated to General Rufus King, the Minister of the United States at Rome, no time was lost by him in transmitting the news to his Government, which straightway instructed the General to take such measures as might lead to the securing of Surratt, alias Watson.

In compliance with his instructions, General King repaired to the Vatican, requested an audience of Cardinal Antonelli, and asked his eminence whether, in the event of his proving the identity of Surratt, the Papal Government would hand him over to that of the United States. The Cardinal Secretary promised the General all the facilities in his power. A few days after, on returning to the Vatican, General King was made acquainted by Cardinal Antonelli with the measures he had taken. These were contained in a series of telegraphic instructions sent from Rome, with the corresponding telegraphic replies from the local authorities of Veroli and Velletri.

They recorded the order to arrest Surratt, alias Watson; the successive steps taken in compliance with the order; the actual arrest; the conveyance to prison; the removal from prison, under a guard of five soldiers of his company; but the series closed with the announcement that when thus led out, Surratt, alias Watson, made a sudden dash from his guards, jumped over a precipice more than one hundred feet high, and, though hotly pursued by fifty Zouaves, was enabled from the fact of their pelerring a more circuitous route, to get clear across the frontier into the Italian territory.

The existing relations between the Italian and Papal Courts on all, and especially extradition matters, are notoriously of such a character that it is not likely that Cardinal Antonelli has addressed any very urgent communication to the Government of Florence, to assist in capturing the individual who evaded the vigilance of his own Zouaves; but of course, General King lost no time in communicating the facts to his colleague at Florence where the American Government is most honorably and most efficiently represented by Mr. George P. Marsh, the philologist, to whom the present generation of English youth owe a large debt of gratitude.

In consequence of the representations just made by Mr. Marsh to the Italian Government, telegraphic instructions have been forwarded to the towns on the Papal frontier, and to all the seaports in Italy, to recapture Watson, alias Surratt; but, if I am not exceedingly misinformed, the Italian Government in declaring its readiness to forward the great ends of international justice, has intimated that, even in the event of its giving up Surratt, alias Watson, it will stipulate that his life be spared.

Terrible Accident at Zanesville, Ohio—Giving Way of a Bridge, Carrying with it a Whole Passenger Train.

By the United States Associated Press.

CINCINNATI, December 4.—A terrible accident occurred at Zanesville, Ohio, about 9 o'clock this morning. The large iron bridge across the Muskingum, at that place, broke down, carrying with it the morning passenger train bound East. The particulars have not yet been received, but it is supposed a large number of lives have been lost.

FROM WASHINGTON.

Proceedings of Congress—Repeal of the Amnesty Act—Two Millions of Gold to be Sold Every Monday.

WASHINGTON, December 3.—The House has just repealed the 13th section of the Amnesty act, authorizing the President to grant pardons, by a vote of 111 yeas to 29 nays. This vote is a fair indication of the tone and strength of the parties in the present Congress.

A bill has been introduced in the House, by Mr. Boutwell, directing the sale of two millions in gold on every Monday, and another, by Mr. Schenck, providing for a meeting of the next Congress on the 4th of March next.

Both will pass by large majorities.

LATER.

A bill has just been introduced, taking from the President all appointments of revenue officers, and giving the appointing power to Chief Justice Chase.

From Louisville.

To the New York Associated Press.

LOUISVILLE, December 3.—O. B. Dunte, the notorious Kentucky guerilla, captured by the military, was turned over to the civil authorities to-day.

General Von Schorder, of General Thomas' staff, leaves for the South to-night on a mission not made public.

Seventy-five bales of cotton was sold at auction to-day. The receipts are steadily increasing, and large quantities of cotton in White river are awaiting shipment. The crop in that section of Arkansas is the largest ever grown. Business is very dull.

Disasters at Sea.

NEW YORK, December 3.—The steamship *Scotland*, heretofore reported ashore on the Middle Ground, has sunk. The brig *Wilhemine* is ashore on the Romer shoals. She is rolling heavily, with no one on board or near her.

Arrivals.

AUGUSTA, December 3.—The steamships *General Barnes*, from New York, *Famine*, from Baltimore, British barques *John W. Harris* and *Matanzas*, and the *John Ellis*, from New York, have arrived here. Also, the American ship *Ne Plus Ultra*, from New York.

Financial News.

By the United States Associated Press.

NEW YORK, December 4.—The following are the quotations for United States securities at the 10:30 o'clock call this morning:—

	Bid.	Asked.
United States 6s, 1881	113	113½
" " 5-20s, 1862	108½	108¾
" " 5-20s, 1864	106	106¼
" " 5-20s, 1865	107	107¼
" " 10-40s	100	100¼
" " 7 30s, first series	105½	106
" " 7 30s, second series	105½	105½
" " 7 30s, third series	106½	105½

Markets by Telegraph

BALTIMORE December 4.—Wheat heavy; red at $2 75@2 80 Flour inactive and heavy. Oats dull at 55@56c. Rye dull at $1@1 05 Seeds quiet. Cotton declined 12c. Provisions dull and nominal. Groceries inactive, with a downward tendency. Whisky very dull.

Rumored Return of Maximilian to Mexico.

NEW ORLEANS, December 3.—There are rumors here that Maximilian has acceded to the wishes of the conservative party, and returned to Mexico for the purpose of carrying on the empire.

Special instructions have been issued to the commander of our troops on the Rio Grande with reference to Mexican affairs, the purport of which is said to be that he is to abstain from any interference whatever in the affairs of that country, unless ordered from headquarters to do so.

FINANCE AND COMMERCE.

OFFICE OF THE EVENING TELEGRAPH, Tuesday, December 4, 1866.

The Stock Market opened very dull this morning, but prices were rather firmer. In Government bonds there was very little movement. 1865 5-20s sold at 108¾, a slight advance; and 10-40s at 100¼@100¾, an advance of ¼. 112¾ was bid for 6s of 1881; and 105¼@105½ for June and August 7-30s. City Loans were in fair demand; the new issue sold at 99¼, and old do. at 96, interest off.

Railroad shares continue the most active on the list. Catawissa preferred sold at 28½, a slight advance; Pennsylvania Railroad at 54½, no change; and Reading at 56¼@56¾, no change; 129¾ was bid for Camden and Amboy.

In City Passenger Railway shares there was nothing doing.

Bank shares were firmly held at full prices, but we hear of no sales. 101 was bid for Sixth National; 148½ for Philadelphia; 96 for Northern Liberties; 31 for Mechanics; 57 for Girard; 90 for Western; 31½ for Manufacturers'; 100 for Tradesmen's; 40 for Consolidation; and 62½ for Union.

Canal shares were unchanged. Lehigh Navigation sold at 56½; 26 was bid for Schuylkill Navigation common; 34½ for preferred do.; 86 for Morris Canal; 124 for preferred do.; and 14½ for Susquehanna Canal.

Quotations of Gold—10½ A. M., 140½; 11 A. M., 140½; 12 M., 141½; 1 P. M., 141½, an advance of ¼ on the closing price last evening.

PHILADELPHIA STOCK EXCHANGE SALES TO-DAY
Reported by De Haven & Bro, No. 40 S. Third street

BEFORE BOARDS.

100 sh Reading Railroad..... 56½

FIRST BOARD.

$500 5-20s, 65 cp Jy	108½	50 sh Lehigh Nav..	56½
$1000 U S 10-40s, reg	100¼	40 sh do....scrip	52
$1000 Leh 6s, 84....	92½	20 sh W Branch Cn	28½
$1000 Ph & E 6s.....	92	1 sh Ca & A scrip	50
100 sh Cata pf....s30	28½	12 sh Pa R....lots..	92
100 sh do...s30	wn 28½		

—Messrs. De Haven & Brother, No. 40 South Third street, report the following rates of exchange to-day at 1 P. M.:—American gold, 141½@141¾; Silver ¼ and ⅝, 135; Compound Interest Notes, June, 1864, 15¾; do., July, 1864, 15¾; do., August, 1864, 14¾; do., October, 1864, 13¾; do., December, 1864, 12¾; do., May, 1865, 11¾; do., August, 1865, 10¾; do., September, 1865, 9¾; do., October, 1865, 9¼.

—Messrs. William Painter & Co., bankers, No. 36 South Third street, report the following rates of exchange to-day at 12 o'clock:—U. S. 6s, 1881, coupon, 112¾@113¼; U. S. 5-20s, coupon, 1862, 108¾@108¾; do., 1864, 106¼@107; do., 1865, 107@107¼; do., new, 1865, 108¼@108¾; U. S. 10-40s, coupon, 99¾@100¼; U. S. 7-30s, 1st series, 105¾@105¾; do., 2d series, 105¼@105½; 3d series, 105¼@105¾; Compounds, December, 1864, 13@13¼.

Philadelphia Trade Report.

TUESDAY, December 4.—There is no improvement to notice in the Flour Market, but prices remain without quotable change. There is no demand for shipment, and only 400@500 barrels were taken, in lots, by the home consumers, at $8@8 50 P barrel for superfine; $9@10 for extras; $11@12 25 for Northwestern extra family; $12@13 50 for Pennsylvania and Ohio do do; and at higher rates for fancy brands, according to quality. 150 barrels Rye Flour sold at $7 25@7 50, an advance. 500 barrels Corn Meal sold on private terms.

There is scarcely any demand for Wheat, and the only sale reported was 1000 bushels New York amber at $2 87; white ranges from $3 20 to $3 30. A small lot of Pennsylvania Rye sold at $1 35, a decline. Corn is dull at yesterday's figures; sales of old yellow at $1 12@1 14 and new do. at $1. Oats are quiet, with sales of 1000 bushels Pennsylvania at 59c. Nothing doing in Barley or Malt.

Cloverseed is quiet, with small sales at $9@10 P 64 lbs. for new. Timothy sells at $3 25, and Flaxseed at $3 20.

No. 1 Quercitron Bark is held at $35 P ton, but there is nothing doing.

Whisky is unchanged; sales of Pennsylvania at $2 36@2 37, and Ohio at $2 45.

JOHN WESLEY.

HIS LIFE AND CHARACTER.

Mr. Henry Vincent's Lecture at Union M. E. Church Last Evening.

[SPECIAL PHONOGRAPHIC REPORT FOR THE EVENING TELEGRAPH.]

Quite a large and intelligent audience assembled last evening in the Union Methodist Episcopal Church, to listen to the lecture by Mr. Henry Vincent, the English Reformer, on the "Life, Character, and Actions of John Wesley," the founder of Methodism. This was Mr. Vincent's third appearance before a Philadelphia audience, and by this time we are able to judge of him as an orator and thinker. A week ago we published a detailed sketch of his life, dwelling particularly upon his somewhat remarkable career as a public speaker. In personal appearance he has but little of the Englishman about him—at least, but little of the typical Englishman—except a burly form, and a bland, smiling countenance. For the rest, he is rather bald, wearing his hair, which is quite grey, pushed back in long locks upon his shoulders. His beard, which is of almost silvery whiteness, is worn full and long, giving him almost a patriarchal appearance. As a speaker, Mr. Vincent is peculiar and forcible, but not at all times pleasing. His voice has a hoarse rattle, which, in his long sentences—and to long sentences he is much given—almost destroys the effect of his well-rounded periods. In the matter of gesticulation he is extremely profuse, and many of the movements of his hands and arms tend rather to detract from than to add to the force of his sentiments. Yet, despite these many peculiarities, the wonderful success which has attended Mr. Vincent as a public lecturer, and the flattering reception which he has met with in this country, clearly establish his claim to rank as one of the first orators of the day. It is needless for us to discuss his rhetorical style, as that can be clearly perceived in the verbatim report of his lecture last evening, which we give below.

The speaker was introduced by the Rev. Dr. Carrow, and on coming forward, addressed his audience as follows:—

I assure you, Ladies and Gentlemen, that it is with intense gratification that I find myself standing here in the presence of this audience; and yet this gratification is greatly dimmed by the memory that I am in the presence of those who are far better acquainted with the theme that I shall have the honor to discuss, than I can profess to be myself. Yet there comes to me on this platform, inspiration that I cannot express; for I am reminded by the kindness of a friend, that on this spot, some century ago, there stood that illustrious compeer of John Wesley whose eloquence shook the churches and convulsed the land—that great pulpit orator who combined not merely all the requisites of the orator, but all the earnestness of the Son of God—I mean Mr. Whitfield. (Applause.)

I do say, that if anything could inspire me, next to conception of the mighty and hallowed truths of which he and the great John Wesley were the standard-bearers, it would seem to me that I stand on a spot which, by the grace of a merciful God, has been dedicated to the conversion of souls and the building up of man's best spiritual life.

I come then, to-night, to speak to you a few passages on the life, teachings, and actions of John Wesley; and I am compelled in the outset to remind you that there is something connected with the birth of Wesley that calls to mind that singular action and reaction which, like the mighty wind which passed through the nation itself, still influences whole nations and affects the world.

For England passed through a series of great commotions arising out of that mighty conflict between Popery and Protestantism, and which produced so vast a change in all Christian States. England had been, for a long time, bearing the burdens of papal misrule, and her intellect and conscientiousness was clouded by priestly darkness and priestly devices. England, from the great days of John Wickliffe, which dawned upon it, the morning star of the Reformation—England entered upon an intellectual and spiritual conflict, launched out into social and political battle; for it must be remembered that the old papacy curbed the truth of God; it became inimical, to a very great extent, to intellectual and moral progress to mankind, and fatal to the existence of independent civil government. England led the way, under great reformers, to resist the dogmas and teachings and the political usurpations of that mighty Church.

This controversy did not end when Henry VIII overthrew the political and ecclesiastical power of the papacy; it did not end with the natural Church compromise, to some extent, between Methodism, Popery, and Protestantism—a conflict that did not end on the rise of various puritanical sects of the popular Independents, Presbyterians, and Low Church Puritans; a conflict which did not end in the days of the Stuarts, but extended into a greater conflict of civil war in the times of Charles I—a conflict which continued through the brief protectorate of Oliver Cromwell, and broke out anew in the two reigns of the Second Charles and the Second James, and which was finally brought to a close in the great revolution of 1688.

And after the revolution of 1688 appeared to be exhausted, you again witness a remarkable change in the English Church. You witness the rise of that High Church party that undermined the Protestantism of the Church of England; you witness a sad decline of spiritual life; you witness all those forms of social disorder so detrimental to the Church, and alarming to States; and verily we may say, in the presence of such a state of things in England from the year 1700 to 1730, that there could be no greater proof of continuous faith, continuous prayer, and earnest devotion to God, of life in the churches, of earnestness in the schools—no greater proof of this than in the advance of English society, in the midst of which John Wesley, the great founder of your own churches, was born.

On the 17th of June, 1703, in that little township of Epworth, in Lincolnshire, with which I am personally familiar, and on its soil I barefooted trod, with reverence for his memory, was born this illustrious man.

His father was one of those quiet, pains-taking, earnest English clergymen, who do their duty on small salaries in the midst of parishioners able to compensate them well, who devote themselves with Christian zeal to their service.

His mother was one of those noble women, an exceedingly beautiful woman, whose services were many, and who is the choicest gift of God to man; for it must be stated without flattery, in the presence of men and women, that there is nothing on God's earth that exercises a more sanctifying influence upon the welfare of the human race than the presence of lively, loving, graceful, virtuous, and modest women, who accept the great trust that God imposes on them, and endeavor in His fear and love to earnestly and gracefully discharge it. (Applause.)

Mrs. Wesley was a mother of strong affections, A woman of rare excellence of character, a tender regard, wise discretion, a mother of those noble boys, Samuel, John, and Charles—a

THE NATIONAL FINANCES.

Report of the Secretary of the Treasury of the United States, for the Year 1866.

TREASURY DEPARTMENT, WASHINGTON, December 3, 1866.—In conformity with the requirements of law, the Secretary has the honor to make the following report:—

In his report under date of the 4th of December 1865, the Secretary estimated, according to the data furnished him by this Department and by the other Departments, that the expenditures of the Government for the three quarters of the fiscal year ending June 31, 1866, would exceed the receipts $112,191,247 20. The result was widely different. The receipts exceeded the estimates $39,905,904 44; the expenditures fell short of the estimates $200,529,235 30. The following statement exhibits the items of increase of receipts and decrease of expenditures in comparison with the estimates:—

Statement of the Estimated and Actual Receipts and Expenditures of the United States from October 1, 1865, to June 30, 1866.

RECEIPTS.

	Estimated	Actual.	Excess of receipts
Customs	$160 000 000 00	$192,017,068 55	$32,017 068 55
Lands	100,000 00	532,149 40	32,149 40
Internal revenue	175,000,000 00	212,607,927 77	37,607,927 77
Miscellaneous	30 000 000 00	48 286 125 00	18 286 125 00
Direct tax		1,947,644 82	1,947,644 82
	365 000 000 00	386 465 905 44	389 905,905 44
Cash balance Oct. 1, 1865	67,188,515 44	67,188,515 44	
	$432,188 515 44	$453 654,421 88	

EXPENDITURES.

	Estimated.	Actual.	Excess of estimates.
Civil service	$22,994,65. 38	$20,488,500 55	$2,538,351 83
Pensions and Indians	13,356 790 94	11 661 285 79	1,195,505 15
War Department	307 788,750 57	119,080,464 50	188,738 286 07
Navy Department	25 000 000 00	26 802,716 31	8,187 283 69
Interest on public debt	96,813 808 75	96 894 269 19	
Deduct deficiency in estimate for interest on public debt			$720,609,628 74
	484 855,462 64	284,324,227 34	200,529,235 30

RECAPITULATION.

Annual receipts, including cash balance	$467,564,420 88
Estimated receipts including cash balance	372 658 515 44
Excess of receipts over estimates	889 905,905 44
Estimated expenditures	484,853,462 64
Actual expenditures	284 324 227 34
Actual expenditures less than estimated	200,529,235 30
	$289 435,140 74

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1866:—

Balance in Treasury, agreeable to warrants, July 1, 1865	$858,309 15
To which add balance of sundry trust funds not included in the above balance	9 217 732 34
Making balance July 1, 1865, including trust funds	$3,076 042 09
Receipts from customs	$179,046,651 50
Receipts from lands	665 034 02
Receipts from direct tax	1,074,754 12
Receipts from internal revenue	309 226,813 42
Receipts from miscellaneous sources	67,119 369 01
	558,132 620 06
	$1 273,960 215 24

EXPENDITURES

Redemption of public debt	$620 321 725 61
For the civil service	21 050,961 54
For pensions and Indians	18,872,416 91
For the War Department	284 449,701 82
For the Navy Department	42,324 118 52
For interest on public debt	133,067,741 09
	920,750 940 48
	$1,341,073 666 09
Leaving a balance in the Treasury on the first day of July, 1866	$132,887 540 11

The following is a statement of the receipts and expenditures for the quarter ending September 30, 1866:—

Balance in Treasury, agreeable to warrants, July 1, 1866	$132 887 540 11
Receipts from loans	174,011,622 24
Receipts from customs	$53 843,774 24
Receipts from lands	238,309 72
Receipts from direct tax	340,454 39
Receipts from internal Revenue	99,166,993 98
Receipts from miscellaneous sources	7 987,704 24
	158 561,386 57
	465,460,557 92

EXPENDITURES.

For the redemption of the public debt	$243,582,833 44
For the civil service	11,893 736 44
For pensions and Indians	11,788 975 66
For the War Department	8,833,214 03
For the Navy Department	7 818,609 17
For interest on the public debt	33 865,309 99
	323,041,768 73
Leaving a balance in the Treasury on the first day of October, 1866, of	$142 418,779 19

The following statement exhibits the items of increase and decrease of the public debt for the fiscal year ending June 30, 1866:—

Amount of public debt June 30, 1865	$2,682,593,026 52
Amount of cash in Treasury	858,308 15
Amount of public debt June 30, 1865, less cash in Treasury	$2,681,734 717 38
Amount of public debt June 30, 1866	$2 783,425 879 21
Cash in Treasury	132 887,540 11
Amount of public debt June 30, 1866, less cash in Treasury	2,650,538,339 10
Net increase	31,196 387 28

This decrease was caused as follows, by payments and *increase of cash in Treasury*:—

Bonds, 6 per cent., acts July 21, 1841, and April 15, 1842	$116,139 77
Treasury notes, 6 per cent., acts December 23, 1857, and March 3, 1861	2 200 00
Bonds, 5 per cent., act September 9, 1850, (Texas indemnity)	283 000 00
Treasury notes, 7 30, act July 17, 1861	280,750 00
Certificates of indebtedness, 6 per cent., act March 3, 1862	89 381,000 00
Treasury notes, 5 per cent., March 3, 1863	38,884 487 00
Compound interest notes, 6 per cent., act June 30, 1864	34 743 940 00
Bonds, 6 per cent., act March 3, 1864	1 551 000 00
United States notes, acts July 17, 1861, and February 12, 1862	209,441 00
United States notes, acts February 25, July 11, 1862, and March 3, 1863	3,068,760 00
Postal currency, act July 17, 1862	2,884,767 88
Cash in Treasury, increased	132,029 230 96
Gross decrease	$332,525,658 61
From which deduct for increase, by Bonds, 6 per cent., acts July 1, 1861, and July 2, 1864, issued to Central Railroad Company, etc., interest payable in lawful money	$4 784 000 00
Treasury notes, 7 30, acts June 30, 1864, and March 3, 1865, interest payable in lawful money	134,341,150 00
Temporary loan, 4 5, and 6 per cent., acts July 1, 1862, and June 30, 1864	36,459,135 25
Certificates, act March 3, 1863	10,711,160 00
Fractional currency, act March 3, 1863	4 949,756 98
Bonds, 6 per cent., act July 17, 1861	$146,050 00
Bonds, 6 per cent., act March 3, 1864	3,882,500 00
Bonds, 6 per cent., act June 30, 1864	8 311 950 00
Bonds, 6 per cent., act March 3, 1865	110 262 000 00
	313,793,959 23
Net decrease	31,196 387 28

This decrease was caused as follows, by payments and increase of cash in Treasury:—

Bonds, 6 per cent., act January 28, 1847	$1,672,450 00
Bonds, 6 per cent., acts July 21, 1841, and April 15, 1842	144 039 77
Bonds, 6 per cent., act March 31, 1848	617,400 00
Bonds, 5 per cent., March 3, 1864	1,700,750 00
Bonds, 5 per cent., act September 9, 1850, (Texas indemnity)	455,000 00
Treasury notes, 6 per cent., acts December 23 1857 and March 2 1861	8,300 00
Temporary loan, 4 5, and 6 per cent., acts February 25, 1862, and June 30, 1864	62 146,714 90
Certificates of indebtedness, 6 per cent., acts March 1, 1862, and March 3, 1863	84,911 050 00
Treasury notes, 5 per cent., one and two years, act March 3, 1863	31 000,00 00
Treasury notes, 7 30, act July 17, 1861	205,000 00
Compound interest notes, 6 per cent., act June 30, 1864	68,512,020 00
Treasury notes, 7 30, act June 30, 1864, and March 3, 1865	105,985 700 00
United States notes, acts July 17, 1861, and February 12, 1862	134,610 00
United States notes, acts February 25, 1862, July 11, 1862, and March 3 1863	42 830,174 00
Fractional currency, act July 17, 1862	3 029 730 83
Suspended requisitions	3 111 000 00
	495,553,807 07
Increase of cash in Treasury	42 108 905 49
Gross decrease	447,662,893 56
From which deduct for increase:—	
Bonds, 6 per cent., acts July 17 and August 5, 1861	$114,750 00
Bonds, 6 per cent., act March 3, 1864	3 882,500 00
Bonds, 6 per cent., act June 30, 1864	8 311 9 0 00
Bonds, 6 per cent., act March 3 1865	205 281,000 00
Bonds 6 per cent. acts July 1, 1862 and July 2, 1864, issued to Central Pacific Railroad Company etc., interest payable in lawful money	8 024 000 00
Fractional currency, acts March 3, 1863, and June 30, 1864	4,373,007 45
Gold certificates, act March 3, 1863	10,896 980 00
	$241 283,237 45
Net decrease	206 379,656 71

There statements are in the highest degree encouraging. They are conclusive evidence of the greatness of our resources, and they clearly indicate the patience of the people under self-imposed burdens, and their unwillingness that this debt should be a perpetual incumbrance upon the country.

It is not expected, nor is it perhaps desirable, that the same rate of reduction should be continued. A considerable diminution of taxes was effected by the amendments of the internal revenue law, at the last session of Congress. A further diminution of internal taxes, and a modification of the tariff, which will doubtless lead to a reduction of customs duties on many articles, will be required, in order that production may be increased and new life infused into certain branches of industry that are now languishing under the burdens which have been imposed upon them.

But, after the proper and necessary reductions shall have been made, the revenues will doubtless be sufficient, if the Government shall be economically administered, to pay the current expenses, the interest on the public debt, and reduce the principal at the rate of from four to five millions per month. In order that this may be done however, there must be no additional donations to railroads or payments beyond the fulfilment of contracts, and no unnecessary expenditure of money for any purpose whatever. With proper economy in all the departments of the Government, the debt can be paid by the generation that created it, if wise and equal revenue laws shall be enacted and continued by Congress, and these laws are faithfully enforced by the officers charged with their execution.

That it is the will of the people that it should be paid, and not perpetuated, is clearly indicated by the favor with which its rapid reduction during the past year has been regarded. The idea that a national debt can be anything else than a burden—in which there are some compensations, but still a burden, a mortgage upon the property and industry of the people—is not unately not an American idea. In countries in which the public expenditures are so heavy, or the resources are so small that no reduction of their public debts is practicable, and where national securities become monopolized capital in the hands of moneyed aristocracies, who not only absorb the means, but give direction to the sentiment of the people, public debts may be regarded as public blessings; but no such fallacy will ever be commenanced by the free and intelligent people of the United States.

Nothing in our history has created so much surprise, both at home and abroad, as the reduction of our national debt. The wonder excited by the rapidity with which it was created is greatly exceeded by the admiration of the resolution of the tax-payers themselves that it shall be speedily extinguished. The conviction is becoming fastened upon the popular mind that it is important—for economy in the national expenses, for the maintenance of a true democracy in the administration of the Government, for the cause of good morals and of public virtue—that the policy of a steady annual reduction of the debt should be definitely and inexorably established. Nothing short of this, and that economy in the national expenditures which will render it practicable, will reconcile the people to the burdens of taxation.

A national debt must ever be a severe strain upon republican institutions, and ours should not be subject to it one day longer than is necessary. To the perpetuation of the existing debt or the United States there are also, it may be proper to remark, serious objections growing out of the circumstances under which it was created. Although incurred in a great struggle for the preservation of the government, and therefore especially sacred in its character its burdens are to be shared by those to whom it is a reminder of humiliation and defeat. It is exceedingly desirable that this, with other causes of heartburnings and alienation, should be removed as rapidly as possible, and that all should disappear with the present generation, so that there may be nothing in the future to prevent that unity and good feeling between the sections which are necessary for true national prosperity.

The Secretary regrets, notwithstanding the large reduction of the national debt, and the satisfactory condition, in other respects, of the National Treasury, that little progress has been made since his last report toward specie payments. The views expressed by him in that report, although indorsed in the House of Representatives by a nearly unanimous vote, were not sustained by corresponding legislation. Instead of being authorized to reduce the paper circulation of the country, as was then recommended, the amount of United states notes was increased, and the power to retire was limited to $10,000,000 for the six months ending October 13, and to $4,000,000 per month thereafter. In the meantime, the reduction of these notes and of the notes of the state Banks, has been nearly balanced by the increase in the circulation of the National Banks; and specie commands about the same premium it did when the last Treasury Report was prepared. Having been thus prevented from taking the first important step toward a return to specie payments, the Secretary has mainly directed his attention to measures looking to an increase of efficiency in the collection of the revenues, to the conversion of interest bearing notes into 6-20 bonds, and to a reduction of the public debt. What has been accomplished in these respects, and is not already understood by the country, is explained elsewhere in this report. The Secretary has also deemed it to be his duty to use such means within his control, as were, in his judgment, best calculated to keep the business of the country as steady as possible while conducted on the uncertain basis of an irredeemable currency. To accomplish this, he has thought it necessary to hold a handsome reserve of coin in the Treasury. For doing so, he has been criticised by many very intelligent persons, some of whom have condemned the policy as involving a heavy loss to the country, in the way of interest; others have objected to it as a failure on his part to avail himself of means within his control for reducing the price of coin, and thus approximating specie payments; on the contrary, not a few have pronounced all sales of gold by the Government unwise, on the theory that if the coin received for customs, and not required for the payment of interest, were allowed to accumulate until it should reach about the same proportion to the outstanding United states notes that, in former days, the coin in the vaults of well-managed banking institutions sustained to their immediate liabilities, specie payments might be resumed, without a reduction of the paper circulation, and without reference to the condition of trade between the United States and other nations.

Under these circumstances, feeling sensible of the great responsibility of his position, the Secretary has deemed it safer and better for the country, to act according to the dictates of his own judgment, rather than to take his direction from those who, however intelligent and able, were under no official obligations to the Government, and might be less accurately advised in regard to the actual state of its finances and its needs. He has regarded the interest as of more importance to the people, than the saving of a few millions of dollars in the way of interest; and observation and experience have assured him that, in order to secure this steadiness in any considerable degree, while business is conducted on a paper basis, there must be power in the Treasury to prevent successful combinations to bring about fluctuations for purely speculative purposes. He has also been clear in his convictions that specie payments are not to be restored by an accumulation of coin in the Treasury, to be paid out at a future day in the redemption of Government obligations, but rather by quickened industry, increased production, lower prices, which can alone make the United States what they ought to be—a creditor and not a debtor nation. These views explain the course that has been pursued with the gold sold, during his administration of the Department, has come into the market. It has been his policy it to accumulate when the use or the sale of it was not necessary for paying Government obligations, or to prevent commercial panics, or successful combinations against the national credit; and he has sold whenever sales were necessary to supply the Treasury with currency, to ward off financial crises, or to save the paper circulation of the country as far as practicable, from unnecessary and damaging depreciation. For making sales he alone is responsible. If, in conducting them, any favoritism has been shown, or if the interests of any particular class have been especially regarded, it has been without his knowledge, and in violation of his instructions. He has not the slightest reason to suppose, however, that they have not been conducted honestly, fairly and judiciously.

It may be hardly necessary for the Secretary to remark, that the unfavorable condition of affairs in regard to the importance of a restoration of the specie standard, or the means necessary to effect it. He trusts, however, that he has not been understood as entertaining the opinion that a reduction of the currency would of itself necessarily bring about specie payments, although the relief and essential help it would effect the desired result. He regards a redundant legal-tender currency as the prime cause of our financial difficulties, and a curtailment thereof indispensable to an increase of labor and a reduction of prices, to augmentation of exports and to diminution of imports alone will place the trade between the United States and other nations on an equal and satisfactory footing.

In order that his views on this point may not be misapprehended, the Secretary trusts that he will be pardoned for referring (even at a risk of a repetition of what has been presented in other communications to Congress and in other ways to the country) to certain laws, well understood, but too often disregarded, which regulate international trade and control the movements of coin. We have traveled so far from the specie standard, and are so blinded in regard to our actual condition and our relations to and with other countries, by an inflated and irredeemable currency, and by the exportation of our securities that frequent recurrence to inexorable commercial and financial laws is necessary.

Ever since trade commenced between the people of different nations, gold and silver have been the only reliable and recognized measure of value and medium of exchange. In their international trade nor representatives of value have, to a greater or less extent, been used by all nations, money made of these metals has been pronounced by the judgment of the world, the only currency possessing the attributes necessary for a uniform and universal circulating medium. Paper money there is to appear. Not only is it the true and universally acknowledged measure of value and medium of exchanges, but by its regulating flow, it indicates the condition and the rights of trade between different nations. Water does not more naturally seek a level, than does specie flow from nations where it is in over supply to those in which it is needed. The amount of the payment of balances created by an unequal exchange of commodities. Trade between nations is generally and chiefly conducted by an exchange of their productions; but as these exchanges are never exactly equal, there are constantly occurring balances to be paid in something else; and, in their payment, nothing but the precious metals is a legal tender. It is this necessity for paying balances in coin which regulates the trade of nations. It is this great commercial and financial law which makes it impossible that a nation can long be the creditor nation, and the nation that buys more than it sells, the debtor nation, and recognizes no medium but coin in the payment of balances, that determines the question of the ability of the United States to resume and maintain specie payments. If the balance of trade is in our favor, as for the last year, the balance against us is so small that it can be paid without an exhausting drain upon our precious metals, specie payments can at once be resumed. Such, unfortunately, is not the fact. Notwithstanding our heavy exports during the past year (that of cotton having been the 872,792 pounds, or nearly 1,000,000 bales, a quality greater than our entire crop of the present year), the United States are largely a debtor to Europe.

A few facts will put us right on this point. Between the year 1849, when gold was first discovered in California, and the first of July, 1866, the product of the gold and silver mines of the United States was about $700,000,000, nearly all of which has gone into the world's general stock; and it is not probable that the amount of gold and silver now in the United States is very much larger than it was eighteen years ago.

During the fiscal year ending June 30, 1866, the United States imported:—

Foreign merchandise free of duty	$58,818,739
Foreign merchandise paying duty	368,660,551
	$427,209,810
Of foreign merchandise there was re-exported:	
Free of duty	$7,997,197
Dutiable	9,474,283
Total (mixed gold and currency value)	11,341,459
Which, reduced to currency value, was equal to	$10,707,231
Total net imports foreign merchandise, valued in gold	$417,040,577
Imports, specie	10,929,156
Of which there was re-exported	3,400,897
Net imports specie	6,528,459
Total net imports, foreign merchandise and specie	$423,975,036

During the fiscal year ending June 30, 1866, the United States exported domestic merchandise, currency value, $365,930,963, reduced to gold value 350,205,687

Specie exported	82,663,774
Total domestic exports, valued in gold	415,965,459
A apparent balance of trade, valued in gold	$8,009,577

Put these figures, taken from the reports of the custom houses, do not present the whole truth. For many years there has been a systematic under-valuation of foreign merchandise imported into the United States, and large amounts have been smuggled into the country along our extended sea-coasts and frontiers. To make up for under-valuations and smuggling, and for cost of transportation paid to foreign shipowners, twenty per cent. at least should be added to the imports, which would make the balance for the past year against the United States nearly $100,000,000. It is evident that the balances have been largely against the United States for some years past, whatever may have been the custom house returns. On no other ground can the fact be accounted for, that a very large amount of American bonds is now held in Europe, which are estimated as follows, to wit:—

United States bonds	$35,000,000
State and Municipal bonds	100,000,000
Railroad and other stocks and bonds	15,000,000
	$150,000,000

It is evident, from these figures, that the balances are against us, and chiefly by the exportation of our Government bonds, are being temporarily and improvidently arranged; temporarily, because a large portion of these bonds have been bought on speculation, and will be likely to be returned whenever financial troubles in the countries in which they are held shall make it necessary for the holders to realize upon them, or whenever satisfactory profits can be made by converting them, which will be when they nearly approach their par value, or come improvidently, because they are being purchased at very low prices, and because their exportation stimulates imports, and thus cripples home industry. Nothing is more certain than the fact that there can be no permanent resumption of specie payments in the United States until the balances between them and other nations shall be made easy by an exportation of commodities, including the products of the mines, equal at least to our importations, and until provision shall be made for returning bonds, or for preventing their return at unpropitious times. This state of things, it is conceived, can be effected without a change in our financial policy.

There being but one universally recognized measure of value, and that being a value in itself, costing what it represents in the labor which is required to obtain it, the nation that adopts, either from choice or temporary necessity, an inferior standard, or a fluctuating financial law of the world, and inevitably suffers for its violation. An irredeemable, and consequently depreciated currency, drives out of circulation the currency superior to itself, and if made by law a legal tender, while its real value is not thereby enhanced, it becomes a false and demoralizing standard, under the influences of which prices advance in a ratio disproportioned even to its actual depreciation. Very different from this is that gradual, healthy and general advance of prices which is the effect of the increase of the precious metals. The coin which is obtained in the gold and silver-producing districts, although it first affects prices within such districts, following the course of trade, and in obedience to its laws, soon finds its way to other countries, and becomes a part of the common stock of the nations, which, increasing in amount by the regular product of the mines, and in activity by the ever-growing demands of commerce, advances the price of labor and commodities throughout the commercial world. Thus, the products of the American, Australian and Russian mines tend first to advance prices in their respective localities, but the operation of trade soon distributes these products, and other parts of the world receive their proportion of the increase of the universal measure of value. All this is healthful, because slow, permanent and universal. The coin produced in any country will be retained there no longer than its productions and sales keep the balance of trade in its favor. As soon as it becomes cheaper (if this word can be properly used in regard to standard of value) in the country in which it is produced than in other accessible countries, or rather when it will purchase more in other countries (adding interest, the cost of transportation, duties, and other necessary expenses) than in that in which it is produced, or when it is required to pay balances in other countries, it flows to them by a law as regular and as certain as gravitation. Hence, although the precious metals are produced in considerable quantities in but a few countries, they affect the prices in all. Not so with a paper currency, which is local in its use, and in its influence. Its advantages, when convertible, are admitted; for, if convertible, although it swells the volume of currency, it rather increases enterprise than prices. Its convertibility prevents expansion, while its larger volume gives impetus to trade and creates greater demand for labor. But when a paper currency is an inconvertible currency, and especially when, being so, it is made by the sovereign power a legal tender, it becomes prolific of mischief. Then specie becomes demonetized, and trade is uncertain in its results, because the basis is fluctuating, prices advance as the volume of currency increases, and require as they advance further additions to the circulating medium, then speculation becomes rife, and "the few are enriched at the expense of the many;" then industry declines, and extravagance is wanton; then, with a diminution of products, and consequently of exports, there is an increase of imports, and higher tariffs are required on account of the general expansion, to which they, in their turn, give new stimulus and support, while the protection intended to be given by them to home industry is in a great measure rendered inoperative by the expansion. This, notwithstanding our large revenues and the prosperity of many branches of industry, is substantially the condition of the United States, and the important question arises, What are the remedies?

With entire deference to Congress, the Secretary suggests that they are to be found:—

First, in repealing the National Banks to redeem their notes at the Atlantic cities, or, what would be better, at a single city.

Second, In a curtailment of the currency to the amount required by legitimate and healthful trade.

Third, In a careful revision of the tariff, for the purpose of harmonizing it with our internal taxes—removing the oppressive burdens now imposed upon certain branches of industry, and relieving altogether or greatly relieving, raw materials from taxes, in order that the profits of labor may be enhanced and production and exportation increased.

Fourth, In the issue of bonds, payable in not over twenty years, and bearing interest at the rate of not over five per cent., payable in England or Germany, to an amount sufficient to absorb the six per cent. bonds now held in Europe, and to meet the demand there for actual and permanent investment; and,

Fifth, In the rehabilitation of the Southern States.

First. The utility of compelling National Banks to redeem their notes at commercial centres, as well as at their own counters, is apparent. The object of Congress, in the establishment of the National Banking System, was to furnish the people with a solvent currency of uniform value throughout the United States. The solvency of the notes of the National Banks is secured by a deposit of bonds with the Treasurer at Washington; but as National Banks are established throughout the country, and many of them are in places difficult of access, a redemption of their notes at their respective counters is not all that is required to make them throughout the United States a par circulation. It is true that the notes of all National Banks are receivable for all public dues, except duties upon imports, and must be paid by the Treasurer in case the Banks which issued are unable to redeem them, but it will not be claimed that the notes of banks, although perfectly solvent, but situated in interior towns, are practically as valuable as the notes of banks in the seaboard cities.

It may be urged that, to compel remote banks thus to redeem, would be a hardship; but as very few well managed banking institutions in the United States fail to keep accounts and balances in some of the Atlantic cities, this hardship would be found, upon trial, to be imaginary rather than real. But if it should be a hardship, it would be a necessary one, and for the interests of the banks must bend to the interests of the people. Besides, without such redemption, there will be practically none at all, at least until specie payments are resumed; and when there are no redemptions, there is always a constant tendency to inflation and illegitimate banking. The frequent and ample redemption of their notes is needed to keep the business of the banks in a healthy condition, and thus invariably proves no less advantageous to the stockholders than to the public. Unless the banks shall be compelled to redeem in United States notes, many of them will withdraw their lend their influence in favor of a return to specie payments, nor be prepared for them when, without their agency, specie payments shall be brought about. If the determination of the question was left to the Secretary, all the banks would be required to redeem in New York, the acknowledged commercial metropolis of the Union. The great interest of that city and the redeeming point for all National Banks would not only give absolute uniformity to their circulation, but would so facilitate the asserting and returning of notes that practical and general redemption would be enforced. It is certain that this will not be done under the existing provisions of the law; it is not certain that it will be, unless all banks shall be compelled to redeem at a single point. This might be objected to by the banks in other Atlantic cities on the ground that it would aggrandize New York at their expense. But New York is already the financial and commercial emporium of the Union. Most of the interior banks keep their chief balances in that city, because they are more available and valuable there than elsewhere, and in compelling all the banks to redeem at the metropolis of trade, Congress would be only yielding to an unwritten but controlling law to which statutes should conform. The course of trade compels, and will compel, those National banks whose business is based upon the products of the country (and these must always constitute a majority) to keep their chief balances in New York, whether they redeem there or not. If exchanges between that city and other cities should be in favor of the latter, the redemption by *their* Banks would be made at their own counters, and no sacrifice but that of local pride would be incurred in their being required by law to redeem at the common centre. When New York shall be a debtor city to Boston and Philadelphia, the notes of the Boston and Philadelphia Banks will go home, and not to New York for payment. What is required is an active regular and actual redemption of the notes of all the National Banks. To effect this local pride should be sacrificed and the interests of the people alone be disregarded. What is said upon this subject by the Acting Comptroller of the Currency is fully indorsed.

The second remedy suggested is a curtailment of the currency.

The views of the Secretary upon the question of a reduction of the currency have been so frequently expressed, that it is only necessary now to consider whether the curtailment should be of the United States notes or of the notes of the National Banks. On this subject his opinions have undergone no change since he communicated them in his reports as Comptroller of the Currency. Banks of issue, organized under State laws, have been in existence ever since the formation of the Government. By the decisions of the highest tribunals of the country their constitutionality has been affirmed, and they have become so interwoven with the business of the country, and such large investments have been made in them, that their destruction would involve consequences of a very serious character. Whether or not the country would have been more prosperous without them—whether the stimulus they have given to enterprise and the facilities they have extended to trade have or have not been counterbalanced by the artificial prices which they have created, and the actual loses which the people have sustained by the crises they have occasioned, and by their suspensions and failures—it is too late to consider. When the National Currency act was passed by Congress State Banks were in full operation, and not less than four hundred millions of dollars were invested in them as capital. In some States, by judicious legislation and careful management, they had afforded a local circulation satisfactory and safe. In other States, where no reliable security, or insufficient security, had been required for the protection of the public, and their management had been confided to incompetent or dishonest hands, there had been numerous failures, and heavy losses had been sustained by the holders of their notes.

Soon after the commencement of the rebellion, it became apparent that a heavy national debt was to be created, the interest and principal of which could only be paid by a general system of internal taxes, involving a necessity for a circulating medium equal in value throughout the country, and safe for the government to receive in the payment of dues. This subject, of course, demanded and received the earnest and careful consideration of the distinguished gentleman at that time the financial minister of the Government, who caused to be prepared and submitted to Congress a bill "to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof;" which, after having been carefully considered and thoroughly discussed, became a law on the 25th of February, 1863. Prior to the passage of this act, issues by the Government had been authorized, and a large amount of Government notes had been put into circulation. But there is nothing in the acts authorizing their issue, or in the communications of the Secretary of the Treasury in the discussions in Congress, to justify the opinion that they were intended for a permanent circulation. On the contrary, the provisions in the law for their conversion into bonds, and the arguments of the advocates of their issue, afford ample evidence that they were regarded as merely temporary, and justifiable only by an emergency which it was supposed nothing else could so adequately meet.

Had it been proposed that these notes should be permanent circulation and take the place of bank notes, there is good reason to suppose that the proposition would have had few, if any advocates. Nor was the National Banking system prepared by its author nor adopted by Congress to destroy the State Banks, nor to divert capital from banking, but rather to compel all banking institutions issuing notes as money to secure them, beyond any conceivable contingency, by deposits with the Treasurer of the United States; thus, without the agency of a National Bank, providing a national currency which would save the Government and people from losses, of which there was constant danger, from a local and unsecured circulation. The National Banking system was intended, while not to invading the rights of the States, nor damaging private interests, to furnish the people with a permanent paper circulation. The United States notes were intended to meet a temporary emergency, and to be retired when the emergency had passed.

The present Secretary was not the advocate of the National Banking system, and claims only the credit of having used his best efforts, as Comptroller, to put it into successful operation. But it has no hesitation in pronouncing it a vast improvement upon the systems which it superseded, and one admirably adapted to our peculiar form of Government. There are substantial objections to all banks of issue, and if none existed, perhaps the United States might be very questionable if any should be introduced; but having taken the place of the State Banks, and furnishing, as they do, a circulation as free from objection as any that is likely to be provided, the Secretary is of the opinion that the National Banks should be sustained, and that the paper circulation of the country should be reduced, not by compelling them to retire their notes, but by the withdrawal of the United States notes.

The Secretary is not unmindful of the saving of interest which results to the Government by the use of its own currency, nor of the favor with which this currency is regarded by the people; but all considerations of this nature are more than counterbalanced by the discredit which attaches to the Government by failing to pay its notes according to their tenor, by the bad influences of this system of money discredit upon the public morals, and the wide departure which a continued issue of legal tender notes involves, from past usages, if not from the teachings of the Constitution itself. The Government cannot exercise powers not conferred by its organic law or necessary for its own preservation, nor dishonor its own engagements when able to meet them, without effecting either or demoralizing the sentiment of the people; and the fact that the indefinite continuance of the circulation of an inconvertible, but still legal tender currency, is so generally advocated, indicates how far we have wandered from old landmarks, both in finance and ethics. The views of the Secretary on this point were so fully expressed in his former report that it is not necessary to restate them. It is sufficient to say that his opinions are unchanged, and that reflection and observation during the past year have assured him of their correctness. Anxious as he is to lighten the public burdens and reduce the public debt, he does not hesitate to advise that these notes be withdrawn from circulation, and that the furnishing of what paper currency may be required be left to corporations, under existing laws and such amendments of these laws as experience may dictate for the perfection and advancement of the public interest. How rapidly they may be retired must depend upon the effect which contraction may have upon business and industry, and can be better determined as the work progresses. The reduction could probably be increased from four to five millions per month, as contemplated by the act of April 12th, 1866, to six millions per month for the present fiscal year, and to ten millions per month thereafter, without preventing a steady conversion of the interest-bearing notes into bonds, or injuriously affecting legitimate business. No determinate scale of reduction could, however, in the present condition of our affairs, be advisable. The policy of contracting the circulation of Government notes should be definitely and unchangeably established, and the *process* should go on just as rapidly as possible, without producing a financial crisis, or seriously embarrassing those branches of industry and trade upon which our revenues are dependent. There is a great adaptability in the business of the United States; and it will easily accommodate itself to any policy which the Government may adopt. That the policy indicated in the true and only safe one the Secretary is thoroughly convinced. If it shall not be speedily adopted, and rigidly but judiciously enforced, severe financial troubles are in store for us.

The Secretary cordially approves what is said by the Acting Comptroller of the Currency, in his report, in regard to the importance of furnishing the people of the South with the bank note circulation which their business may require, and agrees with him in the opinion which he expresses of the beneficial results, political, financial and social, to be effected by the organization of National Banks in the Southern States, but he cannot recommend an increase of the bank note circulation of the country beyond three hundred millions of dollars, and hopes that the necessities of those States may be supplied rather by a reduction of the amount awarded to other States, than by an increase of the volume of currency.

The third remedy suggested is a revision of the tariff for the purpose of harmonizing it with internal taxes, a reduction of taxes upon raw material, &c., &c.

The 6th section of the act entitled "an act to reduce internal taxation" &c., approved July 13, 1866, provides that the Secretary of the Treasury is hereby authorized to appoint an officer in his Department, who shall be styled 'Special Commissioner of the Revenue,' whose office shall terminate in four years from the thirtieth day of June, eighteen hundred and sixty-six. It shall be the duty of the Special Commissioner of the Revenue to inquire into all the subjects of internal revenue, and the best method of collecting the revenue; the relation of foreign trade to domestic industry; the mutual adjustment of the systems of taxation by customs and excise, with the view of insuring the requisite revenue with the least disturbance or inconvenience to the progress of industry and the development of the resources of the country; and to inquire from time to time, under the direction of the Secretary of the Treasury, into the manner in which officers charged with the administration and collection of the revenues perform their duties. And the said Special Commissioner of the Revenue shall, from time to time, report through the Secretary of the Treasury to Congress, either in the form of a bill or otherwise, such modification of the rates of taxation, or of the methods of collecting the revenues, and such other facts pertaining to the trade, industry, commerce, or taxation of the country, as he may find, by actual observation of the operation of the law, to be conducive to the public interest."

On the 16th of July last, Mr. David A. Wells was appointed Special Commissioner of the Revenue, under the authority above recited, and he was instructed to proceed, at once to perform the contemplated work, giving his chief attention to the tariff, with the view of ascertaining what modifications are required to adjust it to the system of internal taxes, stimulate industry, and make labor more productive.

The ability displayed by Mr. Wells in the performance of his duties as one of the Commissioners for the revision of the Internal Revenue laws, and the heartiness with which he is prosecuting his investigations, give the best assurance that he will perform the work in a manner creditable to himself, and satisfactory to Congress and the people. The Secretary addressed to him on the 14th day of September, 1866, a letter, from which the following is extracted:—"In view of the fact that the revision of the tariff is certain to engage the attention of Congress at its next session, I consider it especially desirable that the Treasury Department should be prepared to furnish as much information pertinent to the subject as can be obtained and collected within the limited time available for the necessary investigations. You are, therefore, hereby requested to give the subject of the revision of the tariff special attention, and to report a bill, which, if approved by Congress, will be a substitute for all acts imposing customs duties, and which will render the administration of this branch of the revenue system more simple, economical and effective.

"In the discharge of this duty, you will consider the necessity of providing for a large, certain and permanent revenue, recollecting the fact that the existing tariff has proved most effective in this direction. You will therefore endeavor, first, to secure for the Government a revenue commensurate with its necessities; and secondly, to propose such modifications of the tariff laws now in force as will better adjust and equalize the duties upon foreign imports with the internal taxes upon home productions. If this last result can be obtained without detriment to the revenue, by reducing taxation upon raw materials and the machinery of home productions, rather than by increasing the rates of imports, it would, in my opinion, by decreasing the cost of production and increasing the purchasing power of wages, greatly promote the interests of the whole country."

There is no subject which has in times past provoked so much discussion, and in regard to which opinions have differed so widely, as the tariff. It has been a standing matter of sectional and political strife for nearly half a century, and the sentiment of the people in regard to it is still quite as much divided as when the discussion of it commenced. Always a complex and difficult question, it is particularly so at the present time. Prior to the Rebellion it had no relation to internal taxes, for this form of federal taxation was then unknown to our people. It had little connection with the currency, for until the year 1862, although the banks had repeatedly suspended specie payments, specie was the only legally recognized standard of value in the United States. Now the question of the tariff is to be considered in connection with a permanent system of internal taxes and a depreciated, but it is hoped a temporary legal tender currency. It is obvious that a scale of duties upon imports which might have been sufficient, judicious and beneficial when there were no internal Federal taxes and business was conducted upon a specie basis, may be insufficient, injudicious and injurious now. A large revenue is at present indispensable for the payment of the ordinary expenses of the Government, the interest upon the public debt and for a gradual and regular reduction of the principal. Free trade, although in accord with the principles of the Government and the instincts of the people, cannot be adopted as a policy as long as the public debt exists in anything like its present magnitude. The long hoped-for period when there shall be no legal obstructions to a free exchange of commodities between the United States

method of doing this at an early day, but by substituting for them bonds which, being payable principal and interest in Europe, will be less likely to be returned when their return is the least desired. The holders of our securities in Europe are now subject to great inconvenience and not a little expense in collecting their coupons; and it is supposed that six per cent. or perhaps four and a half per cent. bonds, payable in London or Frankfort, could be substituted for our six per cents, without any other expense to the United States than the trifling commissions to the agents through whom the exchanges might be made. The saving of interest to be thus effected would be no inconsiderable item; and the advantages of having our bonds in Europe placed in the hands of actual investors is too important to be disregarded.

Fifth. The fifth and last remedy suggested is, the rehabilitation of the States recently in insurrection.

In alluding to this subject, the Secretary feels that he steps upon dangerous ground, and that he may be charged with introducing a political topic in a financial report; but, in his opinion, there is no question now before the country more important in its bearings upon our finances than the political and consequently industrial status of the Southern States. Embracing, as they do, one-third part of the richest lands of the country, and producing articles of great value for home use and for exportation to other countries, their position with regard to the General Government cannot remain unsettled, and their industrial pursuits cannot continue to be seriously disturbed without causing such a diminution of the production of their great staples as must necessarily affect our revenues, and render still more unsatisfactory than they now are, our trade relations with Europe. As long as the present anomalous condition of these States continues—as long as they have no participation in the Government, to the support of which they are compelled to contribute—it is idle to expect that their industry will be restored or their productions increased. On the contrary, there is reason to apprehend that unless harmonious relations again exist between the Federal Government and these States the condition of their industrial interests will become day by day more uncertain and unsatisfactory. There will be no real prosperity in these States, and consequently no real prosperity in one-third part of the United States, until all possess again equal privileges under the Constitution. Can the nation be regarded as in a healthy condition when the industry of so large a portion of it is deranged? And can the labor question at the South be settled as long as the political status of the South is unsettled? Can the national credit be elevated and the public debt be rapidly reduced unless the Southern States shall largely contribute to the public revenues; and can such contributions be relied upon as long as they remain in their present distranchised condition? Will the tax-payers of the North continue to be unfairly burdened unless their burdens of taxation can be lessened by being equally shared by the people of the South? Regarded thus as a purely financial question, the relation of these States to the Federal Union is an exceedingly interesting and important one, and as such it demands the calm and careful consideration of Congress.

The Secretary has thus presented in such manner as his pressing official duties would permit, his views of the financial condition of the country, the causes of trouble, present and prospective, and the remedies for the same. If these remedial measures shall be approved by Congress, and measures of appropriate legislation, he is confident that specie payment may be resumed by the time our interest-bearing notes are retired, which must be done in less than two years, and probably will be in a much shorter period.

These measures look to an increase of labor, and consequently of production—to a fulfillment of obligations by the Government and the banks—to a reduction of the public debt at the same time that taxes are being equalized and lessened—to lower prices, and apparently harder, but really more prosperous times—to a restoration of specie payments without the financial troubles which usually precede a resumption after a long period of suspension and inflation. The Secretary does not regard it as assert that the adoption of all these measures (although he regards each as important) is absolutely necessary to a return to specie payments, nor that other remedies may not be adopted by Congress to preserve the country from impending financial troubles. He presents, as he considers it to be his duty to do his own views, and asks that they may receive careful consideration, and be adopted if they commend themselves to the wisdom of Congress, and regarded if measures better calculated to secure the desired end can be devised. The most sanguine and hopeful must perceive that the business of the country cannot for a much longer time be run upon the present high level with safety. The speculative interest, large and powerful in itself, is receiving daily new accessions of strength by the increase of individual credits; and when speculation and credit control the business policy of the country, a financial collapse is inevitable. These untoward and dangerous influences can now be resisted, and the true interests of the people require that they should be resisted promptly and decisively.

Satisfactory, in many respects, our condition, there is cause for congratulation that we have thus far escaped those severe financial troubles which usually befall nations at the close of expensive and protracted wars. With our vast resources and the buoyant and persistent energy of a free people, it will be our own fault if we cannot soon recover them altogether.

The Secretary has pointed out the financial dangers around and before us, in order that they may be considered and avoided before they culminate in general disaster. Strong as is his conviction that we have been for some time, and still are, moving in the wrong direction, and that our prosperity is more nominal than real and unreliable, his confidence in the ability of the country to right itself speedily is unshaken. We have but touched the surface of our resources—the great mines of our national wealth are yet to be developed. The energies and the past triumphs have only assured us of our strength. It is only necessary that our true situation be understood in order that the proper remedies may be applied. There is no insurmountable obstacle in the way of restoration to perfect financial health, without the painful trials to which it has been necessary to subject the people in affecting this most desirable result has been, and will continue to be, the highest aim of the Secretary.

After a careful survey of the whole field, the Secretary is of the opinion that specie payments may be resumed, and ought to be resumed, as early as the first day of July, 1868, while he indulges the hope that such will be the character of future legislation, and such the condition of our productive industry, that this most desirable event may be brought about at a still earlier day.

The following is a statement of the public debt, June 30, 1866, exclusive of cash in Treasury:—

Bonds, 10-40s, 5 per cent., due in 1904	$171 219 100 00	
Bonds, Pacific Railroad, 6 per cent. due in 1895 and 1896	6,042,000 00	
Bonds 5 20s, 6 per cent., due in 1832 1864, and 1865	722,205,500 00	
Bonds 6 per cent., due in 1881	265,317,700 00	
Bonds 6 per cent. due in 1880	18,415,000 00	
Bonds, 5 per cent., due in 1874	20,000 000 00	
Bonds, 5 per cent., due in 1871	7,022 000 00	
		1,210,221,300 00
Bonds 6 per cent., due in 1868	8,908,341 80	
Bonds, 6 per cent., due in 1881	9,415,250 00	
Compound interest notes, due in 1867 and 1868	159,612,140 00	
7-30 Treasury notes due in 1867 and 1868	806,751 550 00	
		983 587 281 80
Bonds, Texas indemnity, past due, not presented	$559,000 00	
Bonds Treasury notes etc., past due, not presented	3 815 675 80	
		4,374,675 80
Temporary loan, ten days' notice	120 176,196 65	
Certificates of indebtedness, past due, not presented	26,391 000 00	
		146,567,196 65
United States notes	$400 891 368 00	
Fractional currency	27,070,876 96	
Gold certificates of deposit	10,713 180 00	
		$438,675,424 96
Total		$2 783,425,879 21

Cash in Treasury, $132,887,549 11.

Statement of the public debt, October 31 1866, exclusive of cash in Treasury.

Bonds, 10-40s, 5 per cent., due in 1904	$171,069 350 00	
Bonds, Pacific Railroad, 6 per cent., due in 1895 and 1896	8,884,000 00	
Bonds, 5 20s, 6 per cent., due in 1832, 1864 and 1865	823,944,000 00	
Bonds, 6 per cent., due in 1881	265,324,750 00	
Bonds, 6 per cent., due in 1880	18,415,000 00	
Bonds, 5 per cent., due in 1874	20 000,000 00	
Bonds, 5 per cent., due in 1871	7,022,000 00	
Navy pension fund, 6 per ct.	11,750,000 00	
		$1,327 405 100 00
Bonds, 6 per cent., due in 1868	8,230 941 80	
Bonds, 6 per cent., due in 1867	7 741,800 00	
Compound interest notes, due in 1867 and 1868	148 512,140 00	
7-30 Treasury notes, due in 1867 and 1868	724,014,300 00	
		888,500,181 80
Bonds, Texas indemnity, past due, not presented	384,000 00	
Bonds, Treasury notes, temporary loan, certificates of indebtedness, etc., past due, not presented	36,604,909 21	
		36 938 909 21
United States notes	$390,195 795 00	
Fractional currency	27,588 610 33	
Gold certificates of deposit	10,886,980 00	
		428,670,775 33
Total		$2,781,636 966 31

Cash in Treasury, $130,326 960 62.

The Secretary estimates that the receipts for the three quarters ending June 30, 1867, will be as follows:—

Receipts from customs	$110 000,000 00
Receipts from lands	500,000 00
Receipts from internal revenue	186,000,000 00
Receipts from miscellaneous sources	20,000,000 00
	$316,500,000 00

The expenditures, according to his estimates, will be:—

For the civil service	37,405,947 39
For pensions and Indians	12,243 217 21
For the War Department, including $15,000,000 for bounties	88 864 657 65
For the Navy Department	23,144 816 31
For interest on the public debt	165 551,512 00
	287,110,741 95
Leaving a surplus of estimated receipts over estimated expenditures of	71 389,556 04

The receipts for the next fiscal year, ending June 30, 1868, are estimated as follows:—

From customs	$145 000 000 00	
From internal revenue	265,000,000 00	
From lands	1 000,000 00	
Miscellan's sources	25 000,000 00	
		$436,000,000 00

The expenditures are estimated as follows:—

For the civil service	$50,067,342 08	
For pensions and Indians	25,388 489 08	
For the War Department including $64 000,000 for bounties	110 861,961 89	
For the Navy Department	30 251,635 26	
For interest on the public debt	133,678 243 00	
		$350,247,641 32
Leaving a surplus of estimated receipts over estimated expenditures of		$85 752,358 68

In regard to the commercial intercourse between the United States and British America, the Secretary adheres to the general opinion expressed in his report of 1865, that until our revenue system is fully revised and adjusted to the financial situation of the country, this subject should not be placed beyond the control of Congress, but should be left to concurrent legislation and such regulations as the Treasury Department may be authorized by law to prescribe. Another reason for arrangements thus flexible is presented by the uncertainty of the political situation of British America. The scheme of confederation, which proposes to transfer questions of revenue and external trade to a single central authority, has not been adopted, and the opposition to the measure may prevail with the new ministry of England, either to modify materially the terms of the Quebec Convention, or to subject the whole measure to the hazards of a popular vote in the Provinces.

However the political problem may be solved, it is not unlikely that when the United States shall have simplified existing methods, and reduced existing rates of taxation, so as to receive the largest amount of revenue with the least burden to industry, British America will be prepared to undertake a system of public improvements along the channel of the St. Lawrence and through Northwest British America to the Pacific coast, which, by the financial necessities attending its adoption and the administration of a federal government, will suggest a Zollverein, or a complete assimilation of excise and custom duties on each side of the Northern frontier. At present, inaction upon this subject would appear to be the true policy of the United States.

Under the authority conferred by Congress at its last session, the Marine Hospitals at Burlington, Vt., at Charleston, S. C., and at Cincinnati, Ohio, have been sold, and proceedings have been taken to dispose of others not required for service, when it shall be found possible to obtain fair prices for them.

A sale has also been effected of the old Marine Hospital at Chelsea, Mass., on satisfactory terms. The new hospital building at Chelsea, and that at Cleveland, Ohio, have received such additions and repairs as were necessary to put them in serviceable condition, and all marine patients within practicable reach of them have been gathered there for treatment.

A similar plan of concentrating the patients at prominent points has been, as far as practicable, pursued throughout the country, by which, together with a rigid adherence to the fundamental principles on which relief should be afforded, the expenses of the establishment in the Northern States have been materially reduced, although the enlarged demand for hospital privileges at the South, consequent upon the reopening of that section to commerce, in connection with the very exorbitant prices prevailing there, will cause the total expenditures to be somewhat increased; but it is hoped, however, that this increase will be attended by a corresponding addition to the collection of taxes from the seamen.

The revenue cutters on the Atlantic and Pacific coasts, and on the lakes have been diligently and usefully employed in preventive service during the last year.

It was found inexpedient to sell, as authorized by Congress at its last session, the vessels heretofore reported as unsuitable for the cutter service with the exception of the *Leyshoot*, the largest of the class, which has been offered for sale but has not yet been disposed of), until their places should be supplied by others. Consequently they have been kept on active duty, and will not be withdrawn until the small sailing vessels, eight in number, which have been recently contracted for, shall be completed, as they are expected to be, in the course of two or three months. So soon as these can be assigned to duty the others will be withdrawn and sold.

On the 2d day of August last, in accordance with the provision contained in the Civil Appropriation act, approved on the 28th of July, 1866, Mr. Orville E. Browne was appointed a special commissioner to collect reliable statistical information concerning the gold and silver mines of the States and Territories west of the Rocky Mountains; and on the 11th day of September last, Mr. Jas. W. Taylor was appointed a commissioner to perform the same work in the States and territories east of the mountains. Their preliminary reports have not yet been received, but it is expected that they will be in season to be laid before Congress at the present session. The well known energy of these gentlemen, and their familiarity with the subject of mines and mining, leads the Secretary to expect that their investigations will be thorough, and their full reports interesting and valuable. A copy of the instructions (which contain an outline of the duties devolved upon them) accompanies this report.

On the 30 day of June last, Mr. John Jay Knox, a clerk in this Department, a gentleman of excellent judgment and business habits, was sent to California to examine into the condition of the Mint and of the office of the Assistant Treasurer at San Francisco, and to look after some other matters in that quarter of interest to this department. His report contains so many valuable suggestions that it has been thought advisable to append it to the report of the Director of the Mint. Particular attention is requested to that part of it which refers to assay offices, and their inutility in remote districts. If, as he concludes, the business of assaying can, not only without detriment, but with positive advantage to the mining interest, be left entirely to private enterprise where there are no established mints, the Government should be disconnected from it in such districts without delay.

The Statistical Bureau, authorized by the act entitled "An act to protect the revenue, and for other purposes," approved July 28, 1866, was organized on the 15th day of September last, by the appointment of Mr. Alexander Delmar as Director. Mr. Delmar deservedly enjoys a high reputation as a statistician, and it is expected that, under his direction, this Bureau will be of great benefit to this Department and to the country.

All matters in proper condition for the numerous books relating to commerce and navigation, which have been transferred to this Bureau, the Director will prepare reliable statistics of the resources of the country and the extent to which they are being developed. Monthly reports of imports and exports, taxes, imposts, tonnage, products, and manufactures will also be regularly prepared, and every means employed to ascertain the progress of population and industry. The Secretary is happy to be able to state, although little more than two months have elapsed since the Bureau was organized, that good progress has been made in the work devolved upon it.

Accompanying this report will be found a highly interesting report from the Lighthouse Board, which presents in a condensed form a history of their operations from 1852, the date of the organization of the Board, to the present time. In no branch of the service have more skill and ability been displayed than in this, and in none have the outlays been more productive of more satisfactory results.

The work under the Coast Survey has been prosecuted during the past year with accustomed energy, and its operations have been recommenced on the coast where they have been for some years interrupted. The importance of these surveys was fully established during the recent civil war, and they cannot fail to be of constantly increasing value to commerce. The work is steadily advancing towards completion, and the Secretary recommends for it the proper and necessary appropriations.

For the detailed operations of the Mint and branches, I respectfully refer to the report of the Director of the Mint.

The total value of the bullion deposited at the Mint and its branches during the fiscal year was $38,847,136 98, of which $37,223,640 17 was in gold and $1,723,516 71 in silver. Deducting the redeposits, the amount of actual deposits is $31,911,719 21.

The coinage for the year was in gold coin, $28,813,944 00; gold bars, $9,115,483 46; silver coin, $880,264 50; silver bars, $916,282 88; cents coined, one, two, three and five-cent pieces, $646,570. Total coinage, $29,660,779 00. Total bars stamped $10,031,887 50.

The gold deposits, of domestic production, were, at Philadelphia, $2,815,616 24; San Francisco, $17,434,499 18; New York, $8,557,666; Denver, $160,982 94. The silver deposits were, at Philadelphia, $56,115 81; San Francisco, $623,682 21; New York, $235,481.

The gold and silver deposits of foreign production were $2,047,674 76.

The amount of gold coined at the Mint at Philadelphia was $10,096,040; at San Francisco, $18,217,395; of silver, at Philadelphia, $629,314 50; at San Francisco, $280,950; of bronze and nickel and coppers, at Philadelphia, $680,264 50.

The law enacted at the last session of Congress, providing for the reorganization of the system of appraisements at the port of New York has been carried into effect. So little time has elapsed since the new Board was organized, that the necessary reforms have not yet been consummated; but they have been undertaken with so much energy and judgment by the Appraiser, Mr. Thomas McKrath, that the best results are confidently anticipated from the reorganization.

Recent calamities at sea, especially the disaster to the steamship *Evening Star*, on the third of October last, whereby two hundred and fifty lives were lost, indicate a necessity for the enactment of judicious laws for the government of our mercantile marine, with especial reference to the more complete security of passengers. It is believed that in this particular we are far behind some other nations; and while this is the case we shall not attain that maritime strength and prosperity to which we should aspire.

An inquiry into the cause of the disaster to the *Evening Star*, made by Captain W. M. Mew, under instructions from this Department, elicited several facts, to which earnest attention is invited, showing as they do the radical defects in existing laws, and indicating the legislation required to prevent loss of life and to enhance the value and security of property in ships. A copy of Captain Mew's report is herewith transmitted.

The attention of Congress is respectfully called to the accompanying interesting reports of the heads of the respective Bureaus, all of which contain valuable information and suggestions, and indicate the satisfactory manner in which the general business of the Department is being conducted under existing laws and regulations. The efficiency of all the Bureaus would, however, have been greatly increased and the expense thereof would doubtless have been reduced, by the passage of the bill for their reorganization, which was under consideration at the last session. The machinery of the Department, sufficient for the prompt and proper performance of the public business before the war, is insufficient now. The Bureaus need reorganization, and justice and economy demand higher compensation to officers and clerks.

The Secretary is under obligations to the officers and clerks of the Department for the very satisfactory manner in which, with few exceptions, they have, during the past year, performed their important and responsible duties.

EUGH McCULLOCH, *Secretary.*

Hon. Schuyler Colfax, Speaker of the House of Representatives.

REPORT OF THE COMMISSIONER OF INTERNAL REVENUE.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE, WASHINGTON, November 30, 1866.—I have delayed the preparation of my annual report for the fiscal year 1866 somewhat past the time when required by law, in order to avail myself of the latest returns from the officers of the several collection districts, and to present so far as possible, some of the results of the law as amended by the act of July 13, which mainly took effect on the 1st of August last.

With the single exception of the relief of paraffine oil and crude petroleum from tax by the joint resolution of May 9, 1866, the receipts of the last fiscal year were from the law as amended by the act of March 1865. For the first time, therefore, in the history of the office, the tabular statements comprised in its annual report substantially exhibit the proceeds, from various sources, of statutes existing through an entire year. Their aggregate amount is considerably in excess of the estimate at the date of my last report, and, as I have reason to believe, of the estimate of others who had given thought to the subject and were most sanguine of the successful operation of the law. This excess came largely from manufactures stimulated by the opening of southern markets and from cotton, on which there was a greater supply than was anticipated. The amount itself is not far short of the revenue for the two years next preceding, and very considerably in excess of the British revenue for the year 1863 from customs, excise, stamps property tax, and post office. Indeed, the entire revenues of the empire exceeded those of this office only in the sum of twenty-two million dollars.

It cannot be denied that the payment of this enormous tax has pressed heavily upon a l classes of our citizens; but they have been encouraged by the remembrance that not only were the current expenses of the Government defrayed thereby, but that the national debt incurred for the preservation of the national life, was thus gradually wearing away.

I have thought it advisable to present a statement of the aggregate receipts of internal revenue for the past year, and of their principal sources in connection with a like statement for the years 1864 and 1865, that comparisons may be made of the proceeds of different laws.

AGGREGATE RECEIPTS

The aggregate receipts of internal revenue were for the year—

1864	$1,145,748 52
1865	211,129,529 17
1866	310 906 084 17

The amounts include drawback upon goods exported and amounts refunded erroneously assessed and collected but are exclusive of the direct tax, stamped lands, and the duty upon the circulation and deposits of national banks. These amounts are as follows:—

	Drawback.	Am't refunded.
1864	$667 431 99	$237 476 77
1865	131 036 36	422 73 36
1866	798 866 73	514,844 43

RECEIPTS FROM SPECIAL SOURCES.

The amounts received from several of the most important sources of revenue are herewith presented, with such explanatory remarks as are deemed necessary:—

Banks, Trust Companies and Savings Institutions.

	1864.	1865.	1866.
Dividends and additions to surplus	$1,577 010 73	$3,981,209 65	$4,186 023 72
Circulation	2,056 996 30	1,993 661 84	990 124
Deposits	780,723 51	2 043,841 08	2,099 638 83
Capital		903,367 08	374 914 11

During the year 1864 the tax upon dividends was three per cent., while in 1865 and 1866 it was five per cent.

The tax upon circulation and deposits was increased for the last two years. The diminution of deposits is due to the conversion of the state banks into national associations, which pay the tax upon their capital, circulation, and deposits to the Treasurer of the United States.

Capital was first taxed by the act of June 30, 1864.

RAILROADS.

	1864.	1865.	1866.
Dividends	$927 393 38	$2,470 816 89	$2 215 834 45
Interest on bonds	596 899 49	847,663 01	1,255,916 98

The receipts for the first year from the tax at three per centum: those for the two subsequent years at five per centum. The law of June 30, 1864, first imposed a duty upon profits carried to the account of any fund, or used in construction; and the receipts from that source are included in the dividends of 1865 and 1866.

INSURANCE COMPANIES.

	1864.	1865.	1866.
Dividends and additions to surplus	$445,366 17	$764 658 38	$767,333 12
Premiums and assessments	523 582 42	867,602 99	1 160,722 23

The taxation of dividends of insurance companies during these three years was the same as that of banks.

The tax upon the gross receipts from premiums and assessments was one per centum for the year 1864; afterwards, it was one and one-half per centum.

SALARIES OF PERSONS EMPLOYED IN THE SERVICE OF THE UNITED STATES.

1864	$1 705,134 63
1865	2,826,333 37
1866	3 717,394 99

The tax was three per centum on salaries in 1864, and subsequently five, and was uniformly imposed upon the excess of compensation above the rate of six hundred dollars per annum. The increase for the year 1866 above the previous year is in part due to the "more than" clause, and to the recommissioning, by brevet, of officers of the military and naval service for the late settlements of many disbursing officers, and to amounts paid as prize money for vessels captured prior to but adjudicated upon during that year.

REVENUE STAMPS.

1864	$5,834 94
1865	11 161,392
1866	15 044 373

The receipts of 1865 were increased by additions to the stamp schedules under the act of 1864 and those of 1866 above those of 1865 by the use of stamps in the States prior to that time in Rebellion. During the last year the sum of $1,767,443 63 has been received from the sale of one cent stamps and that of $3 03 482 82 for stamps from special dies for matches, perfumery, patent medicines, and other proprietary articles. The double penalty imposed by law is a great security to its faithful observance. Because of the invalidity of an unstamped instrument, the party receiving it, and to whom it may be, is likely to insist upon the attachment of the appropriate stamp. It is this penalty upon the receiver which especially enforces the requirements of the statute. I believe they have been more generally regarded during the past year than in any one preceding.

ARTICLES IN SCHEDULE A.

1864	$520,283 25
1865	779,961 79
1866	1,607 744 65

Gold watches and piano-fortes were added to the schedule before the annual returns were made in 1865; and in 1866 $426 557 17 were received from the former and from the latter $43,572 27. The receipts of the year 1865 were but slightly affected by the addition, as they include but a very small portion of the proceeds of the annual list of that year. The annual list of May, 1865, was mainly collected after June 30th and increased the receipts of the fiscal year 1866.

LICENSES.

1864	$7,145 388 27
1865	12,598,681 26
1866	18,015,745 22

The increase of receipts in 1865 was due to the increased classes of persons subject to charge under the act of 1864; the increase of the license duty upon several kinds of business and to the reassessment of wholesale dealers under the same statute. The increase in 1866 arose especially from the operations of the law over that portion of the South from which, prior to that time, it had been shut out by the Rebellion.

INCOME.

1864	$14 919 279 38
1865	20 577 350 26
1866	60 894 145 85

The annual list, so called, comprises schedule A, licenses, and income.

The receipts for the fiscal year 1866 were mainly from the annual assessments of 1865 upon the income of 1865. Receipts of 1865 were from the income of 1865, and those of 1866 largely from that of 1864.

I have endeavored to ascertain the precise number of persons who were assessed for an income-tax in the annual list of 1866, but the assessors' reports, especially those of the Pacific slope and other remote districts, have not all been received.

The country is now divided into two hundred and forty collection districts. From one hundred and eighty-five of them the desired returns have been received.

Of the $36 053 440 51 collected in the United States up to the ember first—and reported to this office by the several collectors—$24 798 726 16, or nearly eighty-seven per centum of the entire amount was assessed in these one hundred and eighty-five districts and of the persons who were assessed in these districts 190 183 returned an income of less than one thousand dollars; 62 513 of more than one thousand and not more than five thousand dollars; and 31 069 of over five thousand dollars. These sums were all in excess of six hundred dollars per annum, exempt by law from taxation. This ratio will be changed somewhat when the full returns are in as a greater proportion of the larger incomes are acquired in the older States.

The whole amount received from the tax upon incomes since the passage of the law of 1862, and including the collections during the present fiscal year, as already reported to this office, is $104,865,018 95.

IRON AND STEEL IN THE VARIOUS FORMS WHICH ARE SPECIFICALLY NAMED IN THE LAW.

1864	$3,694 168 49
1865	9 218,888 63
1866	13,788,138 35

The tax upon these articles was increased at every session of Congress until the last when it was largely reduced. The increased receipts were due not more to the increase of production than to the additional number of articles made taxable and the increase of the duties upon those previously taxed.

REFINED PETROLEUM AND COAL OIL.

1864	$6,255 328 80
1865	3 917,212 77
1866	5 317,956 91

Refined petroleum paid ten cents per gallon, and distilled coal oil eight cents, until June 30, 1864, when the rates were respectively changed to twenty cents and fifteen cents.

The receipts from these articles it will be seen, are rapidly advancing, indicating their largely increasing consumption.

CIGARS AND CHEROOTS.

1864	$1 255 421 79
1865	3 07?,475 56
1866	3,474 443 91

During the year 1864 and for ten months of the year 1865 the receipts were from specific taxes graduated by the different values of cigars. These taxes were largely advanced in 1864, and by the act of March 3, 1865 a uniform rate was imposed of ten dollars per thousand. The receipts after May 1st of that year were almost entirely from that tax.

CHEWING AND SMOKING TOBACCO.

1864	$7,086,634 74
1865	8 017,020 63
1866	12,319,911 91

The tax upon smoking tobacco was increased from five to twenty five cents per pound in June, 1864 and to thirty five in March, 1865, except upon that made exclusively of stems, which remained at twenty-five cents.

Fine cut chewing and plug mainly paid fifteen cents per pound until June 1864: after that, thirty-five until March, 1865, when the tax was increased to forty cents.

The production of taxable tobacco in 1863 was 23,600,665 pounds; that of 1864 was 63,372,426 pounds, of which more than 10,000 000 pounds were returned in June to avoid the additional duty under the new law then shortly to take effect; that of 1865 was 36 639 029 pounds; and that of 1866 35 748 351 pounds.

FERMENTED LIQUORS.

1864	$2,233 719 73
1865	3 057 [illegible]
1866	3,155 140 49

During the year 1865-66 the tax was one dollar per barrel. The collections for ten months of the year 1864 were at the rate of sixty cents. The increase for the year 1865 came both from increased consumption and from improved thoroughness in the operation of the law.

DISTILLED SPIRITS.

1864	$28 431 797 83
1865	15 995 [illegible] 66
1866	20,138,574 15

In 1864 the tax was twenty cents per gallon, until March 3d of that year, when it was raised to sixty cents. From July 1, 1864, to January 1, 1865, it was one dollar and fifty cents, and afterwards two dollars.

Much of the consumption of 1865 was of spirits distilled in previous years, in anticipation of increased tax. The receipts during the several months of the last fiscal year were as follows:—

July	$352 251 15
August	261,457 88
September	755 662 06
October	3,399 [illegible] 23
November	3,467,165 80
December	3,763 259 71
January	3,953 303 91
February	3,654 700 47
March	2,951 343 44
April	3,036 [illegible] 30
May	3,144,186 54

During the current fiscal year the receipts were in:—

July	$3 015 588 39
August	2,597 045 49
September	2 954 247 59
October (so far as reported)	2 502 943 91

These amounts are all exclusive of the tax upon spirits distilled from apples, peaches, and grapes. From this it appears that the total receipts from distilled spirits for the year from November 1, 1865, to November 1, 1866, were $37,637,595 45.

There is probably no tax imposed by the law which is so largely evaded by those subject to its provisions as the tax upon distilled spirits. Nor is there any reason to ascertain in which case large loss inures to the Government unless it be that upon income.

It will be observed, however, that there has been a very considerable increase in the monthly receipts from spirits, arising undoubtedly from the fact that the stock which had accumulated in the hands of dealers has been consumed; that the demand is now, therefore, for production which pays duty, and that the new law has advantages which were wanting in the old one.

EXPENSE OF COLLECTING THE REVENUE.

The different ways in which accounts of the various internal revenue officers are adjusted and paid make it impossible to give a perfectly accurate statement of the expense of assessing and collecting the revenue for the year 1865. Many expenses incurred during one year are not paid until after the close, and large amounts were paid on account of expenses of previous years adjusted last year.

From an examination of the allowances made to the disbursing officers, the payments on account of this office, and the statements of assessors' compensation and expenses, made to the Fifth Auditor of the Treasury, the expenses of the past fiscal year appear to be as follows:—

Assessors' compensation and expenses	$2 965 079 00
Assistant assessors' compensation	3 068,964 0
Collectors' compensation and expenses	2 161,710 14
Superintendents of exports and drawback	18,134 00
Revenue agents	35 45? 75
Special agents assigned to this office	17,226 82
Revenue inspectors	121 978 70
Special deputies to collect taxes	22 084 60
Officers and clerks in this bureau	277 672 71
Stamps and cotton tags	177 089 55
Other incidental expenses of this office	40 093 02
Commission on sale of stamps	786 536 04
	$7,683,709 46

The articles named in the free list of the act of July last were exempted from tax from and after the passage of the act or the first day of that month. The reduction of tax upon other articles and objects of taxation which that law provided, took effect on the first day of August following. The taxes which accrued during August and September were respectively payable in the months of September and October. I have endeavored to secure from the several collectors their abstracts of collections during those months, in order to exhibit as far as possible, the product of the new law for August and September—the first two months of its operation—in connection with that of the former statute during the same time last year. Seventy-nine of the fourteen hundred and eighty abstracts due have been received; but I am able to indicate very nearly what sum the total receipts will reach by giving further with the receipts reported as compared with the receipts from the same districts last year, the total receipts from all the districts during September and October, 1865:—

	Collections reported for September and October, 1866	Collections from the same districts in September and October, 1865.	Total collections for September and October 1865.
Clothing	$1,714 351 64	$3 634,316 24	$3 7?5, 85?74
Cloth and all textile fabrics of cotton	1,642 561 56	1,968 053 7?	2,945 931 81
Cloth and all textile fabrics of wool	1 050 235 9?	1,836 508 46	1,905 538 98
Raw cotton	1 044 899 00	2,420,713 22	3,308,391 91
Fermented liquors	1,078,271 56	789 060 43	898,638 99
Spirits distilled from apples	59 890 26	12 681 87	14 315 40
Spirits distilled from other materials	5 557 170 84	1,383 252 62	2,121 687 29
Refined petroleum and coal oil	643,994 96	994 872 13	1,139,961 35
Cigars and cigarettes	562 570 44	481 045 79	567,581 75
Smoking and chewing tobacco	2 023 668 45	1 720,421 86	2 082 203 61
Snuff	100 516 49	114,155 43	118,752 05
Iron in the various forms and conditions	823 518 20	1 775 449 09	1,956 817 25
Leather	716,402 62	881 501 27	936,970 06
Other manufactures	5 434,970 16	5,940,242 80	6 7,5,869 75
Total of manufactures & productions	22 572,658 2	$23 966 815 41	$27,655 495 77
Gross receipts of railroads, income, etc	$1,093 898 1	$1 771 537 2	$1 956 632 05

The tax upon boots and shoes and most wearing apparel not exempted was reduced from six to two per centum. That upon cotton was increased from two cents to three cents per pound, but the receipts were less than last year because of the accumulated product of previous years, which was at that time brought to market. The tax upon refined petroleum and coal oil has been somewhat modified in its application, the heavier oils been exempted, and the tax upon some of the lighter being reduced from twenty to ten cents per gallon. The duty upon low-priced cigars has been reduced, and that upon those of greater value increased. The gross receipts from transportation of property are no longer subject to tax. It will be observed that the increased revenue for these two months from distilled spirits, fermented liquors and tobacco, above that received for August and September is nearly equivalent to the loss that resulted during the same period from the reduction of taxes upon other articles. The compensation will not be continued, however, and the receipts for the last three quarters of the present fiscal year will not equal by several millions of dollars the collections for the same time last year. From a careful consideration of all the facts in my possession however I believe that the receipts of the fiscal year 1867 will reach the sum of two hundred and eighty-five millions of dollars ($2 0,000,000).

The annual list includes the tax upon income, carriages, gold watches, billiard tables, and gold and silver plate, and the special tax upon persons engaged in trade or business. Returns for this list are required from the taxpayer on or before the first Monday of May in each year and the taxes are payable on the 30th day of June following. For various reasons it seems desirable that the returns should be made at an earlier date. The amount of one's income except in cases where regular books of account are kept, can ordinarily be more accurately determined nearer the close of the year during which it accrued. Many taxpayers including a large majority of those engaged in agricultural pursuits, have more leisure at that time for the preparation of their returns; while many residents of cities and indeed of the warmer portion of the country generally, desire to leave their districts for purposes of business or pleasure before the annual lists under the present law can pass to the collector from the hands of the assessor. In such cases no little annoyance and complaint have arisen, which the utmost vigilance of the revenue officers could not fully avoid.

The special tax is payable on the 1st of May, on or before which time the party subject to it is required to register his name calling, etc., with the assistant assessor of his assessment district. The assistant assessor has afterwards to make his certificate to the assessor and collector, and the collector usually awaits the annual list from the assessor before commencing his collections. Yet the law provides that any one who shall carry on any business or do any act mentioned in the statute or the doing of which a special tax is imposed, without payment thereof, or without producing his receipt for such payment when called upon by any internal revenue officer, shall for every such offense, besides being liable to the payment of the tax, be subject to imprisonment or fine. Peddlers, too, engaged in business without payment of this tax and producing such receipt are liable to the forfeiture of all the property which they use or employ. It is not known that hardship has arisen by the too rigorous enforcement of the law; but wrong is liable to result or the revenue be defrauded by the exercise of clemency to those inclined to attempt to violate it altogether because its precise requirements cannot be regarded. The law should not make its constant violation a necessity. I recommend, therefore, that returns for the annual list, including the register for the special tax be required on the first Monday of March in each year, and the tax be made payable on the thirtieth day of April following.

TEN PER CENTUM PENALTIES.

The addition of ten per centum as a penalty for the non-payment of the tax on or before a certain day is sometimes a severe hardship, from which there is no relief even in cases of sickness or accident. In some instances large manufacturers punctual usually in their payments, from the failure of a mail, or the unexpected absence of a clerk have been subjected to the payment of several thousands of dollars.

Embarrassments would often arise to collectors if they were clothed with power to add or omit the penalty at discretion, and I believe that a penalty of five per centum for neglect or refusal and interest at the rate of twelve per centum per annum from the time the tax is payable, will be amply sufficient, while from its greater equity, it will occasion less complaint.

SPECIAL TAX.

The special tax of the act of July 13, 1866, is a substitute for the license tax of the earlier laws. For evading the payment when due, the law provides imprisonment not exceeding two years and a fine of not more than five hundred dollars, or both. Where the imprisonment is never visited and the fine is made the nominal sum of one dollar only, as it is represented to this office it is in some judicial districts, regardless of circumstances, that which seems to have been considered by Congress as an offense

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TUESDAY, DECEMBER 4, 1866.

The Facts of History versus Modern Conservative Theories.

ONE good result of the discussion which, for some little time, has been raging within the ranks of the Democratic party upon the question of extending the suffrage, is, that it has forced the conservative element to exhibit the real weakness of the arguments by which it seeks to maintain its position. Such articles as appeared in the Chicago *Times* and the Boston *Post* in favor of impartial suffrage, necessitated *some* sort of a reply; and we have accordingly had from such journals as the *Age* the best arguments they could devise in favor of the justice or reasonableness of determining a man's right to the elective franchise by the color of his skin. We have now the *best* which conservatism can say for itself. It has brought forward its strongest arguments. The following, from the *Age*, contains the whole case on that side:—

"The Democratic party will not agree that negroes shall be made a component part of the governing and ruling class in this country. They were excluded from all participation in the formation of our structure of government. White men framed the Constitution and enacted the laws, and then declared that the compact, with all the political rights and privileges springing from it, was made for themselves and their posterity. The colored man was not recognized in a political sense then, nor has he at any time since been vested with the rights of a citizen of the United States. The Supreme Court of the United States decided that under the Constitution he was no citizen. In some of the States negroes have been granted the ballot, but always with such restrictions as mark the difference between the white and colored races."

It is cheering to find that a great measure of justice and intelligent progress is opposed by no stronger arguments than these. Granting the assumed facts of history to be as claimed in the foregoing extract, what does the argument amount to except the old, worn-out, but ever-renewed one of a purblind conservatism, that, *having done wrong in the past, we ought to continue to do so in the future?* Our fathers oppressed the colored citizens, therefore we should do so. We ourselves have hitherto done injustice to this class of the people, therefore we should continue to do so. This is an argument that may satisfy conscienceless prejudice, but it can never satisfy the demands of justice and right. To answer a man's claim to present justice by referring him to his experience of past injustice, is a style of reasoning, or, rather, a style of disregarding reason, which none but a conservative, in the worst sense of that much misused word, would be guilty of. The true argument is, that if we have done wrong in the past, so much the more reason why we should do right in the future. That injustice *exists* at all is the very reason why it should *cease* to exist.

The argument of the Chicago *Times* is, that the past course of the Democratic party on this question has resulted in disaster, and if adhered to will result in death. To which the *Age* replies, "We have always done so."

The argument of the Boston *Post* is, that deprivation of rights on account of color is unjust. To which, again, the *Age* replies, "We have always practised it."

But in the extract above given, our contemporary falsifies the facts of history as grossly as he violates the canons of sound reasoning and right feeling. The assertions that colored men "were excluded from all participation in the formation of our structure of government;" and that "white men framed the Constitution and enacted the laws, and then declared that the compact, with all the rights and privileges springing from it, was made for themselves and their posterity"—meaning for them only; that "the colored man was not recognized in a political sense then;" that "in some of the States negroes have been granted the ballot, but always with such restrictions as mark the difference between the white and colored races," are each and all of them not merely untrue, but positively false.

The Declaration of Independence, the first great organic act of the people of this nation, declared "*all men*" to be "created *equal*." Two years later the Articles of Confederation were formed, and remained the law of the land down to the adoption of the present Constitution. Those articles recognized free negroes as citizens, and granted to them the same privileges of citizenship which belonged to white inhabitants. And this was done, too, in defiance of the efforts of the delegates from South Carolina, who tried to amend the articles so as to confine the citizenship to *whites;* but the proposed amendment was lost, *only two* States voting for it. They were thus citizens of the United States from the very foundation of the Government. In *five*, at least, of the original thirteen States, free colored men possessed the elective franchise, and were thus a portion of the very people that elected the delegates who framed, and the Conventions and Legislatures that adopted, the Constitution. They had been declared "equal" by the Declaration of Independence; they had been recognized as citizens by the Articles of Confederation; and they now, as a recognized portion of the political State, participated, through their representatives, in the framing and adoption of the Constitution. So much for the facts of history.

We might here rest the case, but we desire to introduce a little *conservative* testimony as to the state of sentiment in regard to the colored man at the time of the formation and adoption of the Constitution. Mr. Alexander H. Stephens, in his great "corner-stone" speech, delivered at Savannah in 1861, and acting as "Vice-President" of the so-called Southern Confederacy, took up this subject, and treated it with his usual candor and exhaustiveness. After stating that the "new" or Confederate Constitution had forever put at rest all agitating questions regarding slavery as the proper status of the negro, which he asserted to be the immediate cause of the Rebellion, he said, speaking of Jefferson and his compeers:—"*The prevailing ideas entertained by him and most of the leading statesmen at the time of the formation of the old Constitution were, that the enslavement of the African race was in violation of the laws of nature; that it was wrong in principle, socially, morally, and politically.* * * * *Those ideas, however, were fundamentally wrong. They rested upon the assumption of the equality of races. This was an error. It was a sandy foundation;* and the idea of a Government built upon it, when the 'storm came and the wind blew,' it fell.—

"*Our new Government is founded on exactly the opposite ideas.* Its foundations are laid, its corner-stone rests, upon the great truth that the negro is not equal to the white man; that slavery, subordination to the superior race, is his natural and normal condition. *This, our new Government, is the first in the history of the world based upon this great physical, philosophical, and moral truth.*"

It will be seen from the above extract that the very ideas which the *Age* falsely ascribes to the founders of our Government, Mr. Stephens asserts to have been the fundamental ideas of the late Rebel Government; while he asserts that the *opposite* ideas, viz., those resting upon the equality of human rights, were the foundation of the old Government erected by Jefferson and the statesmen of the Revolution.

The theory of the *Age* is simply the detestable theory invented by the late Chief Justice Taney to defend his infamous decision in the Dred Scott case. How villanously it belied the facts of history, may be seen by the following extracts from the conclusive dissenting opinion of Mr. Justice Curtis:—

"To determine whether any free persons descended from Africans held in slavery were citizens under the Confederation, and consequently at the time of the adoption of the Constitution of the United States, it is only necessary to know whether any such persons were citizens of either of the States under the Confederation at the time of the adoption of the Constitution.

"*Of this there can be no doubt.* At the time of the ratification of the Articles of Confederation, all free native-born inhabitants of the States of New Hampshire, Massachusetts, New York, New Jersey, and *North Carolina*, though descended from African slaves, were not only citizens of those States, but such of them as had the other necessary qualifications, possessed the franchise of electors on equal terms with other citizens. * * *

"It has been often asserted that the Constitution was made exclusively by and for the white race. It has already been shown that in five of the original thirteen States colored persons then possessed the elective franchise, and were among those by whom the Constitution was ordained and established. If so, *it is not true, in point of fact, that the Constitution was made exclusively by the white race;* and that it was made exclusively *for the white race* is, in my opinion, *not only an assumption not warranted by anything in the Constitution, but contradicted by its opening declaration that it was ordained and established by the people of the United States, for themselves and their posterity.* And as free colored persons were then citizens of at least five States, and so in every sense part of the people of the United States, *they were among those for whom and whose posterity the Constitution was ordained and established.*"

The truth is, this entire Taney theory of the status of the colored citizen in this country is without any foundation in truth, and was concocted to meet a certain case.

The *Age*, too, is equally unfortunate in regard to the facts of contemporaneous history, when it asserts that in those States where the right of suffrage has been granted to colored persons, it has "always been with such restrictions as mark the difference between the white and colored races." In several of the States colored citizens exercise the elective franchise, and in only one of them, we believe, are there such "restrictions" as the *Age* asserts to be universal. In New York a property qualification of $250 is required of colored citizens, but not of whites.

We have followed this subject out somewhat at length, since, by constant and reiterated assertions, the theory borrowed by the *Age* from the Dred Scott decision has obtained a sort of credence not only totally unwarranted by the facts of history, but absolutely at war with them. The sentiments of the founders of the Government towards the colored man were well up to that of the most enlightened radicals of to-day. In the broad circuit of nearly a hundred years, we are but returning to where the fathers of the republic stood when Jefferson declared all men to be created equal, when Colonel Greene led a black regiment in the battles of the Revolution, and when the Articles of Confederation made every free colored inhabitant of the thirteen States citizens of the United States.

The Report of General Grant.

THE Report of the General-in-Chief consists of the reports to him of the subordinate commanders, and is quite voluminous. The only two documents of any general interest among the large batch transmitted, are those of Generals Sheridan and Sickles. Treating, as they do, of the spirit manifested in the various Southern States, all of whom are included within their districts, they form a valuable testimony as to the real feelings of the reconstructed. General Sheridan has travelled extensively throughout Texas and the various States under his control, and gives as his deliberate conviction that—"*My own opinion is that the trial of a white man for the murder of a freedman in Texas would be a farce,*" and adds, "I make this statement because truth compels me, and for no other reason."

Such is the evidence afforded by a General amply qualified to judge of the spirit of the Southern people. He also states that the Governor of Texas says that if the troops are withdrawn the courts can protect both soldiers and freedmen. The General adds, "But this is not so," and adduces the cases of the murder of two unarmed soldiers, and the refusal of the Grand Jury to find bills against the murderers. A little further on, the report says:—"It is strange that when a white man is killed by Indians on our extreme frontiers, the greatest excitement will take place, but on the killing of many freedmen in the settlements, nothing is done." And, again, in order that his reporting such a deplorable condition of affairs may not be construed into unkindness, he adds:—"I cannot help but see this, and I cannot help but tell it to my superiors, no matter how unpleasant it may be to the authorities of Texas." So much for the declarations of General P. H. Sheridan.

General D. E. Sickles bears testimony to the desperate condition of affairs in his district. He adduces instance after instance of murders of harmless negroes, and persecutions of white loyalists and teachers, and declares his inability to prevent it under the existing institutions. He states that secret Rebel societies have to be broken up by force, and that General Wade Hampton has violated his parole if he made the remarks generally attributed to him. He also declares that, wherever failure has attended the attempts of the freedmen to work, that it was the fault of the planters, and says, in the words of the Marquis of Sligo:—"Whenever the planters wish the thing to succeed, it is successful." The reports of these two high officials clearly prove that the South is not in a condition to be left without restraint.

And yet General Grant, in his few remarks, states that the progress of restoration in the Southern States is all that could be expected. With these evidences before him, we are at a loss to see on what he based his assertion. We prefer to take the word of officers on the spot, and, on the contrary, believe that the South is rebellious still; and the treason still existing must be crushed out, by the sword and by starvation if necessary.

SPECIAL NOTICES

SHEPPARD'S SHIPPERS' GUIDE,

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UNION LEAGUE HOUSE,

PHILADELPHIA, December 3, 1866.

THE ANNUAL MEETING
OF THE
UNION LEAGUE
OF PHILADELPHIA
WILL BE HELD AT THE
LEAGUE HOUSE,
ON MONDAY, December 10, at 8 O'Clock P. M.

By order of the Board of Directors.

GEORGE H. BOKER,
12 4 6t SECRETARY.

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THE CENTRAL SKATING PARK will be open for public inspection on

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On Thursday the Park will be lighted with the new improved Gas LIGHT REFLECTORS, and be open for evening visitors. 12 4 5tp

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THE BOARD OF DIRECTORS OF the ALLEGHENY AND PITTSBURG OIL COMPANY have this day declared a Dividend of TWO PER CENT. payable on and after Monday 10th inst.

D. VANDERVEER, Treasurer.
December 3, 1866. 12 4 5ut*

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OLD FRANKLIN ALMANAC
FOR 1867.

The high character which "THE OLD FRANKLIN ALMANAC" has gained by reason of the variety and reliability of its contents, and the useful matters collected therein is only maintained in the issue for 1867. The contents are all original and prepared especially for this work it being the aim of the publisher to make it a useful work for reference and information concerning the events of the past year. In compliance with this intention, the various departments of the Almanac, containing dates, references and concise information, are as follows:—

Chronological Eras.
Chronological Cycles.
Aspects and Notations.
Signs of the Times and Seasons.
Beginning and Length of the Seasons in 1867.
Symbols of the Moon and Planets.
Old and New Style.
Commencement of the Year.
To ascertain the Length of the Day and Night.
Morning and Evening Stars.
Perigees.
Jupiter.
Saturn.
Calendars of the Months.
Events (American) 1865 1866.
Events (Foreign), 1865, 1866.
Railroad Accidents in the United States, 1866.
Disasters to Ocean Steamers, 1865 1866.
Steamers Lost and Destroyed in the United States, 1865, 1866.
Debt of the United States.
Executions in the United States, 1866.
Necrology (American), 1865 1866.
Bishops of the Methodist Episcopal Church, 1867.
Necrology (Foreign), 1865 1866.
Losses by Shipwreck (American) 1866.
Interior Dimensions of Theatres and Opera Houses in America and Europe.
Square Feet covered by Theatres and Opera Houses.
Hierarchy of the Roman Catholic Church in the United States, 1867. Archbishops and Bishops.
Deceased Catholic Bishops in the United States.
Bishops of the Protestant Episcopal Church in the United States, 1867.
Deceased American Bishops, Protestant Episcopal Church.
Technical Measures.
Statistics of the War of the Rebellion.
Men furnished to the United States Army during the War of the Rebellion.
Number of Troops furnished by the States.
Number of Troops furnished under Different Calls.
Colored Troops enlisted during the War.
Mortality of the War in the Union Army.
Mortality in Different Arms of the Service.
Proportion per One Thousand contributed to the Total of Deaths in Action and by Wounds, from each Loyal State.
Proportion per Thousand of Deaths from Diseases in the several States.
Proportion of Deaths from all Causes in the Troops of each State.
Proportion in each Branch of the Service.
Commutation Money paid in different States.
Bounty paid during the War.
Aggregate Federal Force, March 1, 1865.
Distribution of the available Federal Force, March 1, 1865.
Rebel Forces surrendered to the United States at the close of the War.
The Governments of the World, 1867.
State Governments, November, 1866.
Territorial Governments, November, 1866.
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THE GREAT RISTORI.—Season tickets for the great tragedienne may be had at the Academy to-day. To-morrow (Wednesday) the first sale of single tickets for the initial performance will commence. There will be a tremendous rush at the Academy for them; but as the Manager, Mr. Grau, has determined that the speculators shall not get hold of them, there will, no doubt, be a chance for all.

Madame Adelaide Ristori will open in "Medea" next Monday evening, following up with "Elizabeth," "Lady Macbeth," "Leah," and several other *roles* of her repertoire. This evening she appears in Washington as "Elizabeth."

ACADEMY OF MUSIC—FRENCH OPERA.—On Friday evening the excellent French Opera Troupe of MM. Paul Juignet and C. Drivet will perform Herold's beautiful and brilliant opera of *Zampa*. This work has not been heard here for years, and many of our young readers know little of it beyond the sparkling overture so often given at our theatres. Madame Elvira Naudie will appear in the *role* of *Camille*, and Monsieur Armand assumes the arduous part of "Zampa." On Saturday afternoon Donnizetti's favorite opera of *La Fille du Regiment* will be presented, at an *apres-midi* entertainment. The sale of tickets will commence at the Academy to-morrow.

NEW CHESNUT STREET THEATRE.—The desire to see Boucicault's last great work, called *The Long Strike*, increases with each representation. The Chesnut is crowded every night with the *elite* of the city.

The reading of genuine news despatches from all parts of the world, telegraphed directly to the theatre, is a very attractive and exciting feature. These despatches are arranged with taste and each one is applauded immensely as it is read off.

The Long Strike, with J. E. McDonough, Josie Orton, and F. F. Mackay in their great *roles*, will be repeated this evening.

On to-morrow (Wednesday) afternoon, a grand family matinee will be given, when the beautiful play of *Isabel; or, a Woman's Life*, will be presented. All of the friends of the management should be present to-morrow afternoon, and assist Mr. Sinn to make up some of the losses sustained by the recent fire.

NEW ARCH STREET THEATRE.—Mr. and Mrs. Howard Paul are doing an excellent business. Their audiences are decidedly the largest and most fashionable we have ever seen attend dramatic performances. This even ng a most attractive entertainment is offered, and we sincerely hope that these exceedingly clever *artistes* may be appreciated by a crowded house. This is the last week of their engagement.

WALNUT STREET THEATRE—MR. J. S. CLARKE AT HOME.—The great American comedian appears in an immense double bill this evening. Clarke as "Tony Lumpkin" and "Newman Noggs." The Walnut was crowded last night to see him play "Bob Acres" and "Jeodies."

NEW AMERICAN THEATRE — THE "BLACK CROOK."—Thousands rush to see this great spectacle every evening. The announcement that it can be played but two weeks more creates the liveliest desire on the part of all to witness it. It will be performed this evening, with all of the beautiful scenery and the original great cast of characters.

HANDEL AND HAYDN CONCERTS.—But few more days remain to procure season tickets for the Handel and Haydn Concerts, the first of which is to be given on Thursday evening of next week, when the grand oratorio of *Elijah* will be produced, with Dr. Guilmette, the celebrated basso, of Boston; Mr. George Simpson, tenor, of New York; and Miss Caroline McCaffrey and Miss H. M. Alexander, of Philadelphia. The moderate price at which the tickets have been placed—ten dollars for three seats, for the three concerts—bids fair to secure the house in advance, or at least as much of it as the management intend to reserve. We hope our readers will act upon this hint, as no grander musical feasts will be provided this season than the oratorios of *Elijah, St. Paul*, and *David*, by the Handel and Haydn.

ELOCUTIONARY AND MUSICAL ENTERTAINMENT.—Mr. S. L. Adams, one of our most accomplished elocutionists, will give an extensive, elaborate, and varied reading from the poets, at the Assembly Buildings, next Thursday evening, December 6. Mr. H. G. Everest will preside at the piano. Mr. Adams will be assisted by Mr. and Mrs. J. G. Magee and daughter, and Mr. W. W. Gilchrist. Tickets may be had at Trumpler's, Seventh and Chesnut Streets.

CARNCROSS & DIXEY have brought out a *Black Crook* in fine style. The ace of spades is nothing to compare to it. Dixey says that the management were not at all *Carncross*-sed with its production, as other theatres have been. (No offense to the real *Black Crooker*.)

FATHER KEMP, Emma J. Nichols, and the "Old Folks" are still holding their levees at National Hall, Market street, above Twelfth, every evening, and on Wednesday and Saturday afternoons.

VALER'S WINTER GARDEN, Vine street, below Eighth.—Miss Victoria Howard and Miss Ada Teaman, the American nightingales, every evening. Admission, gratis. Beer, good.

CITY INTELLIGENCE.

[*For Additional Local Items see Third Page.*]

OF IMPORTANCE TO THE TRAVELLING PUBLIC.—"Sheppard's Southern and Western Shipper's Guide" is now ready, and we are constrained to the conclusion that it is one of the best books of reference published. It contains complete shipping directions to railroad, river, and inland towns throughout twenty-four Western and Southern States. It gives a list of all the express, telegraph, and railroad stations; the names of every steamboat and steamship line; the names of the leading hotels; and, in fact, all the information any one desires who is or anticipates travelling. As an advertising medium, it stands among the first of its kind. An agent is now in this city soliciting advertisements and subscriptions, and our merchants, when called on by him, would do well to hesitate before they withhold their patronage. The agent's name is Philip A. Higgins; his address, Box No. 1480, Philadelphia Post Office.

AN AGGRAVATED ASSAULT UPON A WOMAN.—At a very early hour this morning, a lady, living near Eighth and Girard avenue, had occasion to leave her house on an errand of necessity, and when she had got a few doors from her house was attacked by a couple of ruffians, who attempted an outrage upon her. She struggled with them, and her cries attracted the attention of the police, who came to her assistance, and frightened her assailants off. They were pursued, and after a chase, were run into a saloon at Seventh and Girard avenue, and were there captured. The two men gave the names of John Stief and James Dean. They had a hearing before Alderman Fitch, and were held in [redacted].

ATTEMPT [redacted] BURGLARY.—About half-past 8 o'clock last evening, as Mr. Daniel Sheetz was going along Ash street, in the Nineteenth Ward, he was suddenly set upon by four men, who assaulted him in a violent manner. He cried out for help, and a couple of policemen, who happened providentially to be within hearing, ran to his assistance, and arrested two of the would-be robbers, named Thomas Vermillion and Benjamin Flick. Mr. Sheetz had, when attacked, a large sum of greenbacks upon his person. The two villains had a hearing before Alderman Clouds, and were held in $1,000 bail each to answer.

FIRE, AND RESCUE OF A CHILD.—Yesterday morning about nine o'clock smoke was seen issuing from the second-story windows of No. 712 St. Mary street. Officer Sliegard, who was in the neighborhood, on seeing it, rushed up with a bucket of water, and rescued a small child that was almost suffocated. The bed and bedding and most of the furniture were burned. The origin of the fire was from playing with matches by the child. The damage will amount to about $20.

CRUEL PARENTS.—Albert Arndt and his wife, Lena Arndt, were arrested by Officer Reeder, in Wood street above Twelfth, for cruelty to a couple of little children whom they had with them. The little children had been beaten and abused, and starved, until they were in a sad plight. Their unnatural parents had a hearing this morning before Alderman Godbos, who held them each in $400 bail to answer.

THE OLD FRANKLIN ALMANAC.—We have received from Mr. A. Winch, the publisher, No. 606 Chesnut street, this valuable annual, which is filled with valuable reference and calendar matter. Every citizen of Philadelphia should have a copy. The table of contents is published elsewhere, and we refer our readers to it particularly.

ROCKHILL & WILSON,

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Foreign and Domestic Fabrics Made to Order, Reasonable, Serviceable and Fashionable

A PUBLICAN IN TROUBLE.—William M. Garry, who keeps an establishment for the sale of liquor on a small scale, at Mayland ville, on Montgomery's coal and wood wharf, was arrested yesterday afternoon, on a charge of suspicion of larceny, and for selling liquor on Sunday. A stray customer stopped at the place on Sunday, and whilst asleep had $150 in greenbacks abstracted from his person. He lodged complaint against Garry, and the latter was arrested by Officer Lyster, and taken before Alderman Allen, who, after hearing the facts of the case, committed him in default of $1200 bail to answer.

A SALE OF VALUABLE PAINTINGS is announced to take place at the auction rooms of B. Scott, Jr., No. 1020 Chesnut street, on the 19th, 20th, and 21st of December. The collection numbers two hundred and sixty pieces, all of them originals, by artists of established reputation in the Old World. They are the importation of Mr. A. d'Huyvetter, of Antwerp, who has bestowed great care in selecting such as will prove valuable additions to the art of this country. His importation made during last year was received with such favor by the public, that we predict a like success in pleasing them on the present occasion.

RIVER PIRATE.—John Wilkinson made a raid on the steamer *Pilot Boy*, as she lay at Arch street wharf, yesterday morning, and made a selection of clothing from the Captain's wardrobe, which he carried off without asking the Captain's permission. A war ant was issued against Wilkinson, and he was arrested last evening at Bristol. He had a hearing before Alderman Bettler, who committed him, in default of $1000 bail, to answer the charge of larceny.

A SUPPOSED BURGLAR.—Michael Clark got under the influence of the ardent last evening, and being naturally of an irascible temper made himself so disagreeable to those around him, that he was arrested at Fourth and Race streets, and taken to the Station House. On examining his person, a bunch of skeleton keys were found. He attempted to account for his possession of them on principles of law and justice but failed. He was committed by Alderman Godbou.

COLORED MAN ON A SPREE.—Henry Handolph, in a spirit of mischief, indulged in the little pleasantry of ringing the bells of the house in the vicinity of Tenth and Spruce streets about ten o'clock last night. Some of the people being absurd enough to object to it, had Henry arrested. He was taken before Alderman Swift, and held in $300 bail to keep the peace.

A MAN DROWNED.—This morning, about 10 o'clock, a boatman named Daniel Albert, about thirty-five years of age, residing in Reading, fell into the Schuylkill river at the Wire Bridge, Fairmount, and was drowned. After much patient grappling the body was recovered by Officers Pritner and Haviland, of the Sixteenth District.

SLIGHT FIRE.—A slight fire broke out in the Good Intent Cotton Mills, on the West Chester road, in the Twenty-fourth Ward, about 7 o'clock this morning. The damage amounted to about $100. The fire was put out by the employes, without giving any alarm.

CARD.—In consequence of the great preparations requisite in the manufacture of first-class frames for the paintings imported by A. d'Huyvetter, Esq., of Antwerp, the sale which we announced to take place in November has been unavoidably postponed until the 19th, 20th, and 21st of December, at which time it will positively take place, at Scott's Art Gallery, No. 1020 Chesnut street. Mr. A. d'Huyvetter returns his thanks to the public for the high appreciation of his importation last season, in consequence of which he will offer at this sale 200 original paintings, his entire invoice, constituting the finest sale ever held in this country.

B. SCOTT, Jr., Auctioneer.

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Prices of Clothing can be no lower. We are daily receiving fresh Goods, purchased at much less than cost, and have reduced all goods on hand to proportionate prices. We have *by far* the largest and best stock of

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MASON & HAMLIN'S Cabinet organs, only at J. E. Gould's, Seventh and Chesnut Streets.

SHEFFIELD PLATED WARE AND CUTLERY.—B. Scott, Jr., will sell, to-morrow (Wednesday) morning at 11 o'clock, at the Art Gallery, No. 1020 Chesnut street, the entire invoice of plated goods from the establishment of Joseph Deakin & Sons, Sheffield, England, which embraces the finest assortment ever offered at public sale. We advise all who wish to obtain a good article to attend this sale, as it will be the last chance this season.

THE SUBTLE ESSENCE of the Queen Flower of the Tropics is concentrated in Phalon's "Night-Blooming Cereus"—a perfume so delicious, permanent, and refreshing, that in all the varieties of floral scents there is nothing that can vie with it.—*Lancaster Examiner.*

REMARKABLY FINE—The weather at this season of the year; but not more so than the first-class clothing sold at Charles Stokes & Co.'s ready-made Clothing House, under the Continental, and, like the weather, as that is in everybody's mouth, so are the great bargains in clothing at Stokes & Co.'s.

PHOTO MINIATURES, Life size Photographs in oil, and Cartes de Visite are suitable, as well as acceptable, Christmas Presents, if made at B. F. Reimer's Gallery, No. 624 Arch street.

BURNT ALMONDS, Rose Almonds, Iceland Moss Paste, Cream Chocolates, etc., can be had at all times of George W. Jenkins, Confectioner, No. 1037 Spring Garden street.

POUND and lady cake made of the best materials, delivered per order, by Morse & Co., Nos. 902 and 904 Arch street.

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DIED

KUENZER.—On the morning of the 2d instant, PAULINE, wife of Charles Kuenzer, and daughter of Rosina Myers aged 37 years.

The relatives and friends of the family are respectfully invited to attend the funeral, from the residence of her husband, No 1534 S. Fourth street above Jefferson, on Wednesday afternoon at 1 o'clock. To proceed to Odd Fellows' Cemetery.

MCNUTT.—On the 2d instant, WILLIAM MCNUTT, aged 38 years.

The relatives and friends of the family, also West End Lodge I. O. of O. F.; Star of Bethlehem Lodge, A. F. A., and the Philadelphia Fire Company, No 18, are respectfully invited to attend the funeral, from his late residence, S. W. corner of seventeenth and Lawrence streets, on Wednesday, the 5th instant, at 10 o'clock. To proceed to Mount Moriah Cemetery.

RUTHERFORD.—On the 29th ultimo, THOMAS G. RUTHERFORD, in the 49th year of his age.

The relatives and friends of the family are respectfully invited to attend the funeral, from his late residence, No. 229 S. Juniper street, on Tuesday afternoon at 2 o'clock.

CLOTHES WILL DRY QUICKER, BECAUSE more perfectly wrung than you can do by hand, and you save time, clothing, and temper, and reduce the discomforts which inevitably attend a wash-day, by using a patent cog wheel Clothes-wringer. These we know to be the most durable but we also keep other patterns for sale. We also repair wringers.

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Estate of THOMAS HANSELL, deceased.
The Auditor appointed by the Court to audit, settle, and adjust the account of WILLIAM F. HANSELL, Administrator of the estate of THOMAS HANSELL, deceased and to report distribution of the balance in the hands of the accountant, will meet the parties interested, for the purpose of his appointment, on THURSDAY, December 13, 1866, at 3 o'clock P. M., at his office, No. 402 WALNUT Street, in the city of Philadelphia.
WILLIAM D. BAKER,
12 4 tuths5t* Auditor.

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It will be issued in neat quarto form, attractive in typography, liberal and progressive in tone and spirit, and loyal to all the interests of the

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Without intending to supplant or interfere in any respect with existing and official Church organs, it is designed to be a co-worker with them in the vast field now inviting and demanding its publication as a medium for the more general diffusion of RELIGIOUS TRUTH and HOME INTELLIGENCE.

It will embrace EDITORIALS BY LEADING MINDS, CORRESPONDENCE, VARIED AND INTERESTING, REVIVAL NOTICES, GENERAL AND LOCAL NEWS, and items in every department appertaining to a FIRST CLASS RELIGIOUS WEEKLY.

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All communications should be addressed to

Rev. A. WALLACE, Editor,
Or to O. L. HADDOCK, Publisher,
12 1 6t No. 108 South THIRD St., Philadelphia

THE "PHRENOLOGICAL JOURNAL" FOR DECEMBER contains Portraits of Doré, the great French Artist, King and Queen of Prussia, twelve distinguished American Clergymen, Miss Kate Bateman, with Biographies and Character. Also, What is Education? by John Neal; Characters of Shakespeare; Thiers, the French Statesman; Orsini-Outrages, etc. Only 20 cents; $2 a year. Now is the time to subscribe. A NEW VOLUME begins with the next number. Specimen free. Address FOWLER & WELLS, No. 389 BROADWAY, New York; or J. L. CAPEN, No. 722 CHESNUT Street, Philadelphia. 12 1 2t

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Rich Bohemian and China Vases and Toilet Sets, Parian Busts, Statuettes and Vases, Bronze and Gilt Ornaments, Rich, gilt mounted Cardstands, Vases and Odor Cases, Rich Workboxes, Jewel, Glove, and Handkerchief Boxes, Desks, Dressing Cases, Portfolios and Companions, Jet and Vulcanite Jewelry, Jet Chains, Paris Fans superior silk Umbrellas, Toilet Goods, with a complete assortment of articles suitable for BRIDAL, BIRTHDAY, OR HOLIDAY PRESENTS. At prices the most reasonable, at

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HOLIDAY GOODS,
CHARLES RUMPP,
POCKET BOOK AND SATCHEL
MANUFACTURER,
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Porte Monnaies,	Cigar Cases,	Pocket Books,
Bankers' Cases,	Portfolios,	Cabas,
Satchels,	Purses,	Dressing Cases,
Money Belts,	Work Boxes,	Etuies, etc.

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CHEAPEST PRINTING IN PHILADELPHIA
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SECOND STORY.

Every description of Plain and Ornamental Printing executed with neatness and despatch, at surprisingly low prices.

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Plumber, Gas and Steam Fitter,
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PHILADELPHIA. [11 6 1mrp

AMUSEMENTS.

AMERICAN ACADEMY OF MUSIC.—
FRENCH OPERA.
P. JUIGNET AND C. DRIVET, DIRECTORS.
Prices of admission—Parquet, Parquet Circle, and Balcony, $1 (with reserved seats); Family Circle, 50 cents; Amphitheatre, 25 cents.
FRIDAY EVENING, December 7,
ZAMPA!
OR, THE MARBLE BRIDE.
Opera in three acts, music by Herold.
Madlle NAUDIN as ..... Camille
Mr. ARMAND as ..... Zampa
SATURDAY, December 8,
GRAND MATINEE.
Admission, one dollar to every part of the house.
THE DAUGHTER OF THE REGIMENT.
Madlle NAUDIN as ..... Marie
Mr. AUDIBERT as ..... Tonio
The sale of tickets will commence on Wednesday, December 5, from 9 to 4 o'clock at the Academy and at Trumpler's.
Books of the operas for sale at the Academy. 12 4 6t

RISTORI.—ACADEMY OF MUSIC.
SEASON OF EIGHT NIGHTS
DIRECTOR ..... J. GRAU
DEBUT OF MME ADELAIDE RISTORI,
ON MONDAY EVENING, December 10,
in her great character of Medea, the same tragedy in which Mme Ristori made her debut in New York.
TUESDAY, SECOND AND WEDNESDAY, THIRD RISTORI NIGHT.
Reserved seats to Parquet, Parquet Circle, and Balcony, $2. Admission, $1·50; Family Circle, 75 cents; Gallery, 50 cents.
The sale of seats for the first night commences tomorrow Wednesday, at 9 A. M., at the Box Office of the Academy of Music.

NEW CHESNUT STREET THEATRE.—CHESNUT street above Twelfth. Doors open at 7. Curtain rises at 7 45.
SECOND WEEK OF
MR. J. E. McDONOUGH,
and of the
GREAT SUCCESS OF THE SEASON.
Dion Boucicault's great Drama, in five acts, entitled
THE
Long Strike
OR, THE WORKMEN OF MANCHESTER.
Produced with
NEW AND BEAUTIFUL SCENERY,
among which may be named—Fuller's Lane, City of Manchester by Night, the Trial Scene, and the
GREAT TELEGRAPH SCENE.
In this last scene, news from all parts of the world received by the
THEATRE TELEGRAPH WIRE,
will be read to the audience.
To conclude with
THE LOST CHILD.
GRAND EXTRA MATINEE,
WEDNESDAY AFTERNOON, December 5.
First time of
ISABELLA;
OR, WOMAN'S LIFE.
The piece will be presented with the full strength of THE TALENTED COMPANY.
Admission to Matinee, 50 cents. Children, 25 cents. Doors open at 1·15. Curtain rises at 2 15.

WALNUT STREET THEATRE.—N. E. corner of NINTH and WALNUT Streets. Commence at 7¾.
THIRD NIGHT OF THE POPULAR COMEDIAN,
MR. J. S. CLARKE.
CLARKE as ..... Tony Lumpkin
CLARKE as ..... Newman Noggs
THIS (Tuesday) EVENING, December 4,
Goldsmith's great Comedy, in five acts, of
SHE STOOPS TO CONQUER.
Tony Lumpkin ..... Mr. J. S. CLARKE
To conclude with the Comic Drama, from the works of Dickens, illustrating incidents in the lives of Nicholas and the orphan boy Smike.
NICHOLAS NICKLEBY,
Newman Noggs ..... Mr. J. S. CLARKE
MR. J. S. CLARKE EVERY NIGHT.

MRS. JOHN DREW'S NEW ARCH STREET THEATRE. Begins at half past 7 o'clock.
AN ENTIRE NEW PERFORMANCE.
LAST WEEK OF THE GREAT ARTISTS,
MR. AND MRS. HOWARD PAUL,
who will appear
IN AN ENTIRE NEW PROGRAMME
MONDAY, AND EVERY EVENING
MR. AND MRS. HOWARD PAUL,
in two new pieces and new songs.
EACH EVENING.
To conclude each evening with a grand Drama, by the
FULL DRAMATIC COMPANY.
FRIDAY—BENEFIT OF MR. R. PAUL.

NEW AMERICAN THEATRE.—THE GREAT EVENT
EVERY NIGHT AND
SATURDAY MATINEE at 2 o'clock.
THE BLACK CROOK.
THE BLACK CROOK.

PROFESSOR FREDERICK A. ROESE WILL deliver a course of twenty lectures in English, drawn from the German, on
HISTORY, LANGUAGE, AND LITERATURE OF THE GERMAN NATION,
AT THE
HALL OF THE UNIVERSITY OF PENNSYLVANIA,
on TUESDAY EVENINGS, at 8 o'clock beginning on TUESDAY, December 4, omitting December 25 and January 1.
Season tickets at $10.
Family season tickets admitting three, at $20.
Tickets for one single lecture at $1.
Family tickets, admitting three, for one lecture, at $2.
They may be obtained at the stores of Messrs. J. Andre & Co., Mr. Louis Meyer, Mr. Charles W. A. Trumpler, Messrs. Schaefer & Koradi, and of Mr. Frederick Dick, Janitor of the University. 12 1 3t*

FATHER KEMP'S OLD FOLKS,
WITH EMMA C. NICHOLS,
OPEN AT
NATIONAL HALL, Market Street, above Twelfth,
FOR ONE WEEK, COMMENCING MONDAY EVENING, December 3.
Doors open at 7. Concert at 8 o'clock. Tickets 75 cents. Family tickets, five for $1·50. Matinee Wednesday and Saturday afternoons at 3 o'clock. 11 30 6t

GERMANIA ORCHESTRA.—PUBLIC REHEARSALS every SATURDAY AFTERNOON, at MUSICAL FUND HALL, 3½ o'clock. Engagements made by addressing GEORGE BASTERT, Agent, No. 1231 MONTEREY street, between Race and Vine. 11 6 3m

PROFESSOR F. A. ROESE'S LECTURES.—First lecture this evening at 8 o'clock, at the HALL OF THE UNIVERSITY. Subject—"The Ancient Germans at the beginning of the Christian Era."
Tickets to be had at the music stores and at the door of the Hall. 14*

DICKEN

[Continued from the Second Page]

It has been brought to the notice of this office, more especially during the past year, that, from misapprehension of the law, considerable sums of money have been erroneously collected of taxpayers in the States lately in insurrection which sums have been paid into the treasury of the United States. Claims for refunding these sums have, in several instances, been presented, but as the law has been conveyed into the treasury no officer is authorized by law to make restitution. The Secretary of the Treasury, through this office, has given directions under which their precise amount will be ascertained, together with all the circumstances under which they were paid. It is respectfully recommended that the law be so amended that the Secretary of the Treasury may refund such sums as he shall find to be due.

The position of West Virginia with reference to the direct tax law is a peculiar one. The assessment to Virginia of $237,502 33 was made before West Virginia was created out of a portion of that State; and while the direct tax commissioners have prosecuted their labors in Virginia in conformity with the act of 1861, West Virginia has not been authorized to assume her apportionment, nor, indeed, has its amount been properly determined. Its officers and its representatives in both branches of Congress, have expressed their readiness to discharge their obligations whenever they are properly established. The apportionment should be made by act of Congress at its next session and the privilege of its assumption by the State be given as in other cases.

INCOME TAX.

That portion of the law of 1864 which relates to income was but slightly touched by the act passed at the last session of Congress. Various amendments were adopted by the House of Representatives materially improving its symmetry and general requirements; but the impossibility of their passage in season for the annual assessment of the current year and the pressure of more important business, induced the Senate to defer their consideration. They will probably be presented again during the coming winter in a new bill from the House.

Of these amendments the most important was, perhaps, the exemption from tax of one thousand dollars, instead of six hundred, as is now provided. It was, of course, the purpose of the law to exempt so much of one's income as was demanded by his actual necessities. Six hundred dollars was believed to be the minimum expense of such at the time of the passage of the law. Since then the internal tax upon commodities, the increase of customs duty, and the depreciation of the currency have wrought an almost universal advance in prices and I believe the same reason now exists for the increase of the amount of exemption which at first secured any exemption whatever.

Should this change be made, there should be a corresponding amendment to that portion of the law relating to the tax upon salaries of persons employed in the service of the General Government.

In determining the amount of taxable income under the present law profits and losses from transactions in real estate are considered only when its sale is in the same year with its purchase. This arbitrary rule is not made applicable to personal property and as there seems to be little reason for its existence at all, I believe it should be amended.

The present income law expires by limitation in 1870.

OTHER MODIFICATIONS OF THE LAW.

Various amendments, in addition to what I have suggested above, seem necessary in order to make clear and positive what is more or less involved and doubtful in several parts of the law, but their propriety can be more fully and satisfactorily presented to the attention of the appropriate committees of Congress when a revenue bill is before them than within the proper limits of this report.

The immense revenue of the last fiscal year was raised with probably less pressure upon the people than that of smaller amounts in previous years. Their enterprise and spirit of accumulation have prevented the depression of business which ordinarily attends heavy taxation. Their means for the ultimate extinction of the national debt are rapidly multiplying, from the increase of population and the constant development of new sources of wealth. The reduction of taxes will stimulate production, and in a few years the national debt will cease to be an object of anxiety or even annoyance to a great and united people.

The unusual demands upon this office, arising from the extension of the revenue system over the South, and the radical changes in some parts of the law from its recent amendments, have for a time large y increased its labors and responsibilities and I cheerfully acknowledge my indebtedness to the honorable Secretary of the Treasury for his uniform support, and to the officers and clerks associated with me, who have faithfully and diligently discharged their duties.

I am, sir, with great respect, your obedient servant,

E. A. ROLLINS,
Commissioner.

Hon. H. McCULLOCH,
Secretary of the Treasury.

INTERIOR DEPARTMENT.

Report of the Secretary of the Interior, Hon. O. H. Browning.

DEPARTMENT OF THE INTERIOR, WASHINGTON, D. C., November 19, 1866.—SIR:—I have the honor to submit the following exhibit of the operations of this Department, and of the varied and diversified interests connected with the branches of the public service committed to its supervision.

During the fiscal year ending June 30, 1866, public lands were disposed of as follows:—

Acres sold for cash	388,204 15
" entered under the homestead acts	1,892 516 89
" located with military warrants	468,180 00
" approved to States as swamps	1,199 658 27
" approved to States for railroads	94,596 99
" located with agricultural college scrip	651 036 60
	4 629,312 87

During the same period, 6,423 984 18 acres were offered for sale. The cash receipts from sales and other sources were $824 645 08. The number of homestead entries exceeded that of the preceding year by more than sixty per cent.

There are sixty-one land districts and ten surveying departments. During the past year surveying operations have been prosecuted with energy in Minnesota, Dakota, Kansas, Nebraska, Colorado, California, Oregon, Nevada, and Washington, but have been deferred, on account of Indian hostilities, in New Mexico and Arizona. The anomalous condition of affairs in Utah has prevented any surveys there since the year 1857. At that date two and a half million acres had been surveyed. In order that they may be disposed of, it is recommended that a land district be created in that Territory.

The entire amount of the public domain is 1,465 468,800 acres, of which 474,180,551 acres have been surveyed.

It has been the cherished policy of the Government to assure upon the most liberal conditions to the actual settler a title to his home and improvements. His preferential right of purchase is not confined to lands which were surveyed at the time of his settlement; nor is he required to pay for them, or for those surveyed but unoffered, until the day designated by the President's proclamation for the public sale. Differences or opinion exist as to the applicability to particular localities of some of the acts of Congress prescribing the period within which the declaratory statement for unsurveyed lands must be filed. No distinction ought to be made in regard to the time allowed for the payment for unoffered lands and those which have been offered. I concur in opinion with the Commissioner of the General Land Office as to the changes that might be advantageously made in existing pre-emption laws. They also should be greatly simplified and rendered more uniform in their operation. In this way controversies such as have been occasioned by incongruous and conflicting provisions will be avoided, and the benefits of this wise and just policy effectually secured.

The right of the pre-emptor attaches from the date of his actual personal settlement; that of the homestead settler from the date of his entry at the local land office. The latter is confined to surveyed lands. In either case the title may be consummated by a full compliance with the terms and conditions imposed by the law under which it was initiated. A party who has settled, with a view to pre-emption, upon a particular tract, and thus excluded others from acquiring a right thereto, should not be permitted to abandon his original claim and enter the land under the homestead law. Such a privilege would, in many instances, inevitably lead to great abuse. The modes prescribed for acquiring title to land by these enactments essentially differ; and if the claimant under a pre-emption law fails to perform the conditions which it enjoins, he should bear the consequences of such failure.

Authority should be given to the head of the department to close up the local office, and transfer its archives, where the lands in a State are nearly all disposed of. The powers vested in the local officers might be conferred upon the Commissioner of the General Land Office, to enable him to give title on the sale of the few remaining tracts.

A few tracts have been entered in California at the minimum price of twenty dollars per acre, under the supplemental act of March 3, 1865, for the disposal of coal lands. The propriety of reducing this minimum, where the coal is of inferior quality and cannot be obtained without difficulty, is submitted for consideration. The area of the coal lands of the United States is estimated at two hundred thousand square miles.

Land offices have been reopened in Florida, Alabama, Mississippi, Louisiana, and Arkansas. By the act approved June 21, 1866, public lands in those States are reserved exclusively for homestead entries; and for the period of two years from the date of its passage only eighty acres can be entered by one person. The opinion of the Attorney-General that patents for lands sold under the revenue laws must issue from the General Land Office, will govern the action of this department.

The law forbids any incumbent in the General Land Office to purchase public lands. I suggest the propriety of extending it so as to include every officer in any way connected with the administration of the laws relating to them.

The grant to Iowa for the improvement of the Des Moines river has been fully satisfied. It embraced eight hundred and thirty-three thousand and seventy-nine and ninety hundredths acres.

There still remain unsold seventy-seven lots, situate within the Fort Howard reserve, in Wisconsin. They will be disposed of in accordance with the act of July 4, 1866.

Up to June 30, 1866, forty-three million two hundred and four thousand seven hundred and seventy-four acres of swamp lands had been patented to the several States, and the aggregate indemnity to them on account of such lands sold or otherwise disposed of by the United States was in cash five hundred and ninety-seven thousand, two hundred and one dollars and thirty-seven cents, and, in other lands, four hundred and seventy-eight thousand and thirty-six and ninety-three hundredths acres. It is recommended that the time for making selections of such lands be limited, to two years after the official plat is received at the local office, and that the purpose of Congress in relation to this subject be expressly declared.

Instructions have been issued to the Surveyor-General and the local officers in California to give full and summary effect to the provisions of the act of July 23 1866, "to quiet land titles in California."

The registers and receivers act as agents of Government to prevent trespassers on the public lands from removing timber therefrom. By imposing fines, and compelling the offenders to enter the lands trespassed on, the Government has been, to a considerable extent, protected in its rights. A *bona fide* settler is allowed to use the timber on his claim only so far as may be necessary for indispensable uses. The Commissioner presents the importance of promoting by legislative enactments the planting and growth of trees on the public domain, and he suggests the mode by which that object may be accomplished.

Under the donation laws, patents for one million two hundred and eighty-two thousand four hundred and twenty-three and ninety-three hundredths acres of land in Oregon have been issued. Additional legislation is recommended to enforce the survey of donation claims on which settlement was made prior to the public surveys.

Twelve hundred Indian patents were issued during the last fiscal year, for two hundred and ninety-eight thousand two hundred and fifty-six acres of land.

Attention has been repeatedly invited by this department to the immense value of the deposits of precious metals within our territorial limits. The mineral lands on the Pacific slope belong to the Government, but it has not provided for the disposal of them, or for the development of the treasure which they contain. In the absence of legislation by Congress, and with its tacit consent, these mines have been worked by individuals, vast expenditures made, and a species of possessory right acquired which has been recognized by State laws, and maintained and vindicated by State tribunals. The act of February 27, 1865, declares that no action in the courts of the United States for the recovery of any mining title, or for damages thereto, shall be affected by the fact that the paramount title to the land on which such mines are, is in the United States and the Supreme Court has held that mining interests, apart from the fee-simple rights in the soil by patent, existed before that act, with the implied sanction of the Federal Government. The exploration and working of these mines have largely contributed to the national wealth, and our legislation should, I submit, be controlled to some extent by existing rights and interests, which are the legitimate results of our policy of inaction. The wisdom of Congress can devise measures which, by placing this vast interest under the control of positive law, will render it tributary in a greater degree to the public prosperity.

By reason of the increased rates of pension, more than thirty-three millions of dollars will be required for this branch of the service during the next fiscal year.

Samuel Downing, of Edinburgh, Saratoga county, New York, is the only surviving soldier of the Revolution. His name was inadvertently omitted in the last annual report of the Pension Bureau to this department.

The names of nine-hundred and thirty-one widows of revolutionary soldiers appear on the pension rolls at the close of the last fiscal year.

The invalid pensioners dissolved in the wars prior to that of 1861 do not exceed three thousand. The widows and minor children who receive a pension by reason of the services and death of those who served in such wars, number one thousand two hundred and twenty-seven.

During the last fiscal year twenty-two thousand six hundred and forty-five original applications for invalid pensions were granted, at an aggregate annual rate of one million seven hundred and fifty-six thousand eight hundred and twelve dollars and twenty cents. The number of such pensions that were increased was one thousand two hundred and sixty-three, at an annual amount of increase of forty-three thousand nine hundred and forty-six dollars and twenty-five cents. The total amount awarded to army invalids during the year thus appears to be one million eight hundred thousand seven hundred and sixty-four dollars and forty-five cents.

During the same period twenty-seven thousand and seventy six original applications of widows and dependent relatives of officers and soldiers of the army were allowed, at an aggregate rate of two million seven hundred and eighty-two thousand seven hundred and eleven dollars and seventeen cents per annum. The increased allowance to such persons was two hundred and ninety-nine dollars and ten cents; so that the sum required to meet pension claims of this description allowed during the past year is two million seven hundred and forty-four thousand and ten dollars and twenty-seven cents.

The whole number of new army pensioners of all classes added to the rolls during the year ending June 30, 1866, was, accordingly, forty-nine thousand seven hundred and twenty-one, and requiring for their payment four million five hundred thousand five hundred and twenty-three dollars and thirty-seven cents per annum. The number dropped from the rolls during the same period, on account of death or other causes, was nine thousand three hundred and forty-two, whose annual allowance amounted to eight hundred and eighty thousand one hundred and seventy-three dollars and sixty-two cents.

On the 30th of June last there were on the pension roll fifty-four thousand six hundred and twenty invalids, whose yearly rate of pensions was four million one hundred and twenty-eight thousand seven hundred and eighteen dollars and fifteen cents; and sixty-nine thousand eight hundred and eighty nine widows and dependent relatives at a yearly rate of seven million two hundred and eighty-four thousand four hundred and four dollars and eleven cents—making a total of one hundred and twenty-four thousand five hundred and nine army pensioners, at an annual aggregate of eleven million four hundred and thirteen thousand one hundred and twenty-two dollars and twenty-six cents.

Including payments to pension agents, the amount paid during the year to Revolutionary pensioners was two hundred and fifty-two thousand two hundred and four dollars and thirty-eight cents; to army invalid pensioners, three million eight hundred and fifteen thousand eight hundred and five dollars and four cents; and to widows and dependent relatives (not Revolutionary), nine million one hundred and nine thousand four hundred and thirty-six dollars and seventy cents—giving the total sum of thirteen million one hundred and seventy-seven thousand four hundred and forty-six dollars and twelve cents.

During the year, two hundred and thirty-eight original applications for navy invalid pensions were allowed, at an aggregate amount of eighteen thousand nine hundred and two dollars and fifty cents per annum. Twenty-five such pensions heretofore allowed were increased at an aggregate annual rate of nineteen thousand eight hundred and nineteen dollars and fifty cents. Two hundred and eighteen original applications of widows and dependent relatives of officers and seamen were allowed, at an aggregate of thirty-two thousand nine hundred and seventy-six dollars per annum. The total number of navy invalid pensioners on the rolls at the close of the fiscal year was one thousand and thirty-two, at an aggregate annual rate of seventy-two thousand six hundred and ten dollars and five cents. The number of widows and dependent relatives was one thousand one hundred and eighty-one, at an aggregate annual rate of one hundred and eighty, eight thousand seven hundred and forty-two dollars—making the whole number of naval pensioners, of all classes, two thousand two hundred and thirteen, requiring for their annual payment two hundred and sixty-one thousand three hundred and fifty-two dollars and five cents.

The total number of pensioners of all classes, army and navy, on the rolls June 30, 1866 was one hundred and twenty-six thousand seven hundred and twenty-two, and the amount paid pensioners, including expenses of disbursements during the last fiscal year, was thirteen million four hundred and fifty-nine thousand nine hundred and ninety-six dollars and forty-three cents. This amount includes ninety-nine thousand two hundred and thirty seven dollars and fifteen cents paid to one thousand and forty-three pensioners residing in the States whose inhabitants were lately in rebellion.

From the date of the Executive proclamation declaring the inhabitants of any State to be in a state of insurrection against the United States, the names of all pensioners residing in such State were stricken from the rolls. Intercourse with them was, by the laws of war, the legislation of Congress and the President's proclamation in pursuance thereof, suspended so long as such hostility continued, but the right of such pensioners as remained loyal to the United States was saved by the act of February 4, 1862. Their names, on making the required proof of continued loyalty, are accordingly restored to the rolls. Mr Attorney-General Speed, whose opinion on the subject was taken by my predecessor, held that the restored pensioner was entitled to the arrears of the pension which had accrued since the last payment to him prior to the rebellion, and the practice of the Government has been in conformity to that opinion.

The navy pension fund, accruing from the condemnation and the sale of prizes, and invested in bonds of the United States, amounts to eleven million seven hundred and fifty thousand dollars. The interest on this investment is more than double the amount necessary to pay the navy pensions. There is also an uninvested surplus of two hundred and five thousand seven hundred and thirty-eight dollars and thirty-five cents.

During the past year four hundred and six bounty land warrants were issued for sixty-three thousand eight hundred and sixty acres of land.

The Commissioner of Pensions represents that a considerable number of additional clerks is indispensable to the prompt and efficient transaction of the business of his office. The bill to reorganize the clerical force of this department, recommended by my predecessor and passed by the Senate at the last session, would have afforded a partial remedy; but the changes made in the pension laws subsequent to its introduction render its provisions inadequate to the present and increasing wants of the service. The cases during the year exceeded, by twenty-five per cent., those disposed of during that which preceded it. The labor of the office during the current year has increased in a much greater ratio, and is nearly if not quite twofold greater than has ever devolved upon it for the same length of time since its organization.

Notwithstanding this imperative necessity for a well-organized force, several years have elapsed since any permanent addition to it was made. The authority to employ temporary clerks of the first class has been given, but it secures only the services of mere copyists. The business of the bureau must fall in arrear when insufficient means are furnished for transacting it. No delay, other than that which is unavoidable, should be suffered to occur in awarding the pensions provided by the country for those who have such strong claims upon its justice and gratitude. The case is respectfully presented to Congress, who can alone furnish the remedy, and whose early favorable action is specially and earnestly invoked.

During the year ending September 30 1866, there were fourteen thousand and thirty nine applications for patents. Eight thousand seven hundred and six teen patents (including reissues and assigns) were issued; fourteen hundred and fifteen applications were allowed, but patents have not issued thereon by reason of the non-payment of the final fees; twenty-five hundred and seventy-nine caveats were filed, and fifty-five extensions of patents were granted.

During the same period the receipts were four hundred and sixty thousand four hundred and sixteen dollars and eighty cents, and the expenditures three hundred and forty-three thousand six hundred and ninety-seven dollars and seventy-three cents, leaving a balance of one hundred and sixteen thousand seven hundred and nineteen dollars and seventy cents, which, added to one hundred and seven thousand five hundred and seventy-eight dollars and nine cents, the balance on hand September 30, 1865, makes the amount now in the treasury to the credit of the patent fund two hundred and seventy-four thousand two hundred and ninety-seven dollars and seventy-six cents.

The company report that in April, 1865, their engineer commenced an extended reconnoissance of the country east of Great Salt Lake, with a view to find a practicable route over the Wasatch mountains to Green river via Spanish Fork and the Winta. After ascending the Spanish Fork to its head waters, he explored the whole district of country lying between the hundred and tenth and hundred and eleventh meridians of longitude, and between the parallels of forty degrees and forty degrees and thirty minutes of latitude. The results of these examinations satisfied him that such a route could not be found.

The survey of the line by the way of the valley of the Sweet water, the south pass of the Rocky Mountains, and the valley of Black's Fork of Green river, was then commenced. It established the important fact that the summits of all the passes of which surveys had been made in the great ranges of those mountains have very nearly the same altitude above tide-water. Further examinations were made by the company's engineer in that region, the details of which have not been furnished to the department.

One of the most important of this Company's surveys extends from Great Salt Lake west to the Humboldt valley, between the hundred and fifteenth and the hundred and sixteenth meridian of longitude, traversing the Great American desert. Although incomplete, it has resulted in the discovery of a line, with grades not exceeding sixty feet per mile, from Great Salt Lake City to the valley of the Humboldt, across the Humboldt range of mountains, a distance of two hundred and eight miles. For about one hundred and fifty miles across the desert no fresh water was found by the engineer. He is satisfied, however, from his examinations, that it can be obtained in the passes over Cedar mountain, on the eastern side of the desert and the first range west of the desert, leaving only sixty miles without fresh water. The soil is admirably adapted to a fine hard road bed. The results of the survey are satisfactory to the company and show that the difficulties to be overcome are much less formidable than were anticipated.

The Company report that the amount actually expended on the road in money is nine million six hundred and ninety thousand and eighty-two dollars and one cent. Of this amount three million one hundred and thirteen thousand two hundred and twenty one dollars and twenty-five cents have been derived from the sale of three million two hundred and eighty thousand dollars of Government bonds, three million nine hundred and one thousand three hundred and fifty-seven dollars and one cent from loans, and two million five hundred and eight thousand seven hundred and twenty five dollars from stock subscriptions. The amount does not embrace the indebtedness of the contractors for the first two hundred and forty-six miles of road, ex ending from Omaha to the one hundredth meridian.

Their contract expired by the completion of this part of the line, and when the whole indebtedness of the company is adjusted, the entire expenditure, including a million of stock, which the contractors agreed to take, will not fall short of twelve million five hundred thousand dollars. The amount of the company's loans is three million six hundred and sixty-eight thousand two hundred and thirteen dollars and ninety-five cents. To meet this debt it has five million four hundred and eighty thousand dollars of its first mortgage bonds unsold, and five hundred and sixty thousand dollars of Government bonds.

The amount of bonds actually executed is three million five hundred and sixty thousand dollars. The company is entitled to issue the following amounts: First, for two hundred and forty miles of road accepted by the Government, three million eight hundred and forty thousand dollars; second, for one hundred miles in advance, one million six hundred thousand dollars, making a total of five million four hundred and forty thousand dollars.

None of these bonds have been offered for sale. They are made, by the act of Congress a lien prior to that of the Government, and it was deemed advisable to wait, before negotiating them until the work had made such progress as to give to the public the assurance that its successful completion was no longer a matter of doubt. They have, therefore, been used to a limited amount as a basis for temporary loans.

The rolling stock on the road consists of twenty-one locomotives, one hundred and fifty-six flat, forty-six box, thirty-five hand, and five passenger cars.

The Union Pacific Railway Company, eastern division, have constructed their road to Fort Riley, one hundred and thirty-five miles west of the Missouri river, of which one hundred and thirty have been accepted by the Government, thus giving a continuous line of railroad and telegraph four hundred and eighteen miles west of St Louis.

They have also constructed a branch road, thirty miles in length, from Lawrence to Leavenworth, which affords them another line of communication to the Missouri river.

The Commissioners, under date of September 28, report that they have examined, and they recommend the acceptance of, an additional section of the road of the Central Pacific Railroad Company of California, making a distance of seventy-four miles from Sacramento. The Company report, under date of the 18th ultimo, that they have constructed an additional section of twenty miles, reaching at the terminus an elevation of about sixty-one hundred feet above tide-water at Sacramento.

A force of ten thousand men is now engaged in grading the next two sections; the ties are redwood, equal to cedar in durability, and number about twenty-five hundred to the mile; and the culverts are constructed of granite, or other hard stone, except in the valley, where hard-burnt brick is substituted, as stone could not be procured. The bridges are made of the best quality of red fir. The ballast is ample, and the road well ballasted with gravel and broken rock. The grades are necessarily high. The maximum authorized by law has been reached for a distance of three and one-half miles. There is no difficulty in operating these portions of the road. The passenger trains make twenty-five and the freight trains twelve miles per hour.

The company expect to reach, during next year, the Big Bend of the Truckee river, to which point the road has been permanently located, a distance of one hundred and ninety-five miles from Sacramento. They allege that their expenditure exceeds twelve million dollars, and they entertain no doubt that the road will be completed to Salt Lake City during the year eighteen hundred and seventy.

The Atchison and Pike's Peak Railroad Company have completed forty miles of their road west from Atchison. The company report that they have on hand six locomotives, two passenger, one baggage and express, fourteen box, and thirty-two flat cars, three tanks, and two turn-tables, etc., with a machine shop and a blacksmith shop complete, the former being built of stone masonry and covered with an iron roof, and they are now engaged in the erection of a round-house. The road is generally built in a very substantial manner; nearly all the bridges and culverts are of the best quality of solid masonry. The longer span bridges are of the Howe truss pattern. The road-bed for the next thirty miles is nearly ready for the superstructure. The ties, iron, chains, and spikes for the same are on hand or in transitu. The company report an expenditure, in the construction and equipment of the road, of two million three hundred and seven thousand six hundred and fifty dollars. They confidently expect that sixty miles of road will be completed by the 1st of January next.

The Western Pacific Railroad Company filed, on the 12th of last July, their acceptance of the provisions and conditions of the resolution of Congress extending the time for the construction of the first section of twenty miles of their road, approved May 21 1866. On the 2d instant this Department received the report of the Government Commissioners, showing the completion and equipment of that section. It extends from San Jose, in the direction of Sacramento, to a point in Alameda county, a distance of twenty miles.

The report of the President of the Sioux City and Pacific Railroad Company, under date of the 10th instant, sets forth that renewed surveys by their engineers, during the past season, justify and confirm the opinion that the most direct and practicable route from Sioux City to a point which they have selected upon the Union Pacific Railroad from Omaha, is on the east side of the Missouri river, to a crossing near De Soto, thence via Fish creek to the Platte Valley, and thence to the point of connection with the latter road at Fremont, forty-six and one-half miles west from Omaha. It is also stated that the grading of the northern sixty-eight miles has been placed under contract, and a force already engaged on the work. The company are arranged to construct about six miles of road, which will connect its line very advantageously with the Cedar Rapids Railroad, at a point where it is expected that the latter road will reach the Missouri River valley in a few days.

There is nothing on file in the department to show that the Company authorized to construct the Atlantic and Pacific Railroad by the act of Congress approved July 27, 1866, have accepted the provisions of the act.

The work on the wagon road from Niobrara to Virginia City has been continued, though with serious annoyance from hostile Indians. The route has been shortened nearly one hundred miles.

Operations on portions of the projected road from Sioux City to the mouth of the Big Cheyenne river have been prosecuted with great activity and success. That part between the initial point and Yankton, with the exception of the bridges, is finished and in perfect order. The bridge over the Big Sioux river is being built. If the construction of it does not absorb the appropriation now on hand, the remainder will be applied to the completion of the bridges over the Vermilion river and the James. Apprehended Indian difficulties have prevented the extension of the road from the mouth of the Big Cheyenne.

The superintendent of the road from Virginia City, Montana, to Lewiston, reports that a considerable force is employed. The funds at his command will not, in his opinion, more than suffice to locate and clear out a trail ten or twelve feet wide from Lewiston to the valley of the Bitter Root. From thence roads are already open to Virginia City. He prefers the route by the Loo-Loo Fork, though it, in common with the other, is subject to obstruction from snow during one-half of the year.

From the report of the architect of the Capitol extension, it appears that the northern and western portico of the north wing are completed, and the columns of the southern portico are soon to be set. It is believed that the ensuing year will witness the completion of all the porticos. Efforts have been made, which it is hoped will prove successful, to improve the imperfect and objectionable ventilation of the Senate chamber and hall of the House of Representatives, in order to obtain a supply of air that shall at the same time be pure, and, in the summer, cool, it is proposed to construct from each hall an underground duct, opening in the centre of a fountain in the eastern grounds. The jets and overflow would at once assist in cooling the air, and serve to remove it of all mechanical impurities.

The balance on hand of the appropriation for the Capitol extension, October 31, 1866, was eighty thousand four hundred and ten dollars and eighty-three cents. The architect estimates that two hundred and fifty thousand dollars will be required to continue the work during the next fiscal year.

The appropriation for lighting, by means of galvanic electricity, the one hundred and eighty-three gas-burners of the dome, has proved a complete success. They can now be lighted in a few minutes. An interesting report on this subject has been prepared, at the request of the Commissioner of Public Buildings, by three electricians of reputation, and is annexed to his annual report.

The sum of forty-eight thousand four hundred and eighty-one dollars and seventy-nine cents was expended on the dome during the year ending October 31, 1866, at which date there was on hand a balance of one thousand five hundred and thirty-nine dollars and fifty-nine cents. An appropriation of fifteen thousand dollars will be required to complete the work. The belt between the second and third cornices of the rotunda should be ornamented by a series of national pictures, or in some other appropriate manner; and designs for the purpose will be invited from eminent artists, if Congress confers the requisite authority.

The extension of the library is nearly completed. The work has been done in the most substantial and elegant style, and the rooms are now an appropriate setting for the rich literary treasures within them. It is proposed to warm them with steam from the boilers in the basement, by means of Gould's apparatus. The Commissioner of Public Buildings urges, on sanitary grounds, the necessity of warming the passages of the centre building, and improving the manner of heating and ventilating the Supreme Court rooms. The expenditures on the library extension from October 31, 1865, were one hundred and thirty-seven thousand nine hundred and twenty-six dollars and sixty-one cents, leaving a balance of thirty-one thousand one hundred and twenty-nine dollars and fifty cents.

The architect repeats the recommendation made in his preceding report in favor of the extension of the central portico, in conformity with the plan proposed by his predecessor, Thomas U. Walter. Esq. Should this recommendation be sanctioned by Congress, it would be advisable to commence the work at an early day, while operations on the other portions of the edifice are in progress, and before the eastern grounds are improved. In view of the anticipated early completion of the Capitol, should the central portico not be extended, it is recommended that Congress authorize enclosing the public grounds north and south of the building, and squares numbered six hundred and eighty-seven and six hundred and eighty-eight, should the bill which passed the Senate at the last session providing for the purchase of them become a law, and improving the Capitol grounds in a style befitting the magnificent edifice which crowns their summit.

About three-fourths of the material necessary to complete the northern portico of this department is on the ground, and it is expected the work will be completed next season. An appropriation of twenty-five thousand dollars for this object will be required.

The appropriations for repairing and furnishing the Executive Mansion have been expended in a judicious and satisfactory manner, and the grounds between it and the Treasury Department have been improved and embellished.

I cannot too strongly urge upon Congress the necessity which exists for the erection of suitable buildings for the Federal courts. The Department is now compelled, in many instances, to lease property which is ill-adapted for the purpose, and where adequate security is not provided for the records and files. Few houses belonging to private parties have been constructed with reference to judicial uses. An exorbitant rent is often demanded, and the Government, in more than one instance, has been constrained to submit to unreasonable exactions. Every consideration of economy and propriety requires that the United States should be the proprietor of the buildings where its courts are holden, and that the most ample accommodations should be furnished the judges and officers for the performance of their highly responsible duties.

I am, sir, very respectfully, your obedient servant,

O. H. BROWNING,
Secretary of the Interior.

The President.

OUR POSTAL SYSTEM.

Report of the Postmaster-General, Hon. A. W. Randall.

POST OFFICE DEPARTMENT, November 26, 1866.—SIR:—The revenues of this department for the year ending June 30, 1866, were $14,386 986 21, and the expenditures $15,352,079 30, showing an excess of the latter of $965,093 09. Anticipating this deficiency, a special appropriation was made by act of Congress approved July 28, 1866.

The decrease of revenue compared with the previous year was 11.5 per cent., and the increase of expenditures 12 per cent. Including the standing appropriation for free mail matter, $700,000, as a legitimate portion of the revenues yet remaining unexpended, the actual deficiency for the past year is only $265,093 09—within $51,141 of amount estimated in the annual report of 1864.

That portion of the revenues accumulated in depository and draft offices, under the supervision of the "finance office" of this department, was $6,751,655 39; collected by the Auditor, $2,641,074 38; and retained by postmasters for salaries and office expenses, $4,994,256 44.

The estimated expenditures for the year ending June 30 1868, are.....$17,583,000
The revenues estimated at 5 per cent. over last year.....$15 106 335
Appropriation for free matter. 700,000
16,806,335
Excess of expenditures..... 1 776 665

For this deficiency no special appropriation will be required. The standing appropriations for free matter, unexpended for several years are deemed sufficient. The following amounts will, however, be required from any money in the Treasury not otherwise appropriated, viz:—

For overland mail transportation between Atchison and Folsom, and for mail transportation between New York and California	$900,000
For steamship service between New York, San Francisco, Japan, and China, for one year from July 1, 1867	500,000
For steamship service between the United States and Brazil, for the same period	150 000
	$1,550,000

For detailed information as to the finances of the department, reference is made to the full and satisfactory report of the Auditor hereto appended.

The number of postage stamps issued during the year was 247,754,325, representing $10 813 661; stamped envelopes, 90,236 200, representing $921,500 50; stamped envelopes bearing printed cards and requests, 7,688 525, representing $226 003 75; stamped wrappers 1 025,000, representing $20 500; making in all $11,988 668 25, a decrease of $868,769 25 as compared with the previous year.

The aggregate of stamped envelopes and stamped wrappers issued during the year ended June 30, 1866, was 89,094 725, representing $1,172 007 25, an increase of 12,888,550, representing $424 557 25, or nearly 60 per cent; being largely in excess of issues during any previous year since the introduction of stamped envelopes.

The sale of stamps, envelopes, etc., during the past year amounted to $12,204,729 54, or $216 061 29 more than the issues; showing the absorption to that extent of the stock remaining unsold in the hands of postmasters, which amounted on the 1st of July, 1865, to $447,710.

The issues of postage stamps and stamped envelopes during the current fiscal year, from 1st of July to 1st November, are $3C0,765 in excess of the issues for the corresponding period of last year, being at the rate of more than one million of dollars per annum.

The increased demand since 1st July for envelopes with printed cards and requests for returning direct to the sender, if not promptly delivered to the address is very notable, being about 66⅔ per cent. The general use of such envelopes will tend largely to reduce the number of dead letters.

During the year sixty-six cases of claims, on account of robberies by armed forces, involving an amount of $4226 06, have been acted upon. Fifty-seven of these claims, amounting to $3852 04, have been allowed under the provisions of the acts approved April 29 1864 and March 3, 1865, and nine, amounting to $374 02, have been rejected as not coming within the provisions of the law.

Contracts.

There were in the service of the Department on the 30th of June, 1866, 6069 contractors for the transportation of the mails.

Of Mail routes in operation there were 6930; aggregate length, 180,921 miles; aggregate annual transportation 71,887 914 miles; aggregate annual cost $7,630,474; including the compensation of route agents, local agents, mail messengers, postal railway clerks and baggage-masters in charge of mails, viz., $779,710, the aggregate annual cost was $8,410,184. This service was divided as follows:—

Railroad routes—Length, 32 052 miles; annual transportation, 30 609 467 miles; annual cost, $3,391,592, about 11 cents per mile.

Steamboat routes—Length, 14 346 miles; annual transportation, 3 411,962 miles; annual cost, $408,844, about 13 cents per mile.

Celerity, etc.—Routes' length, 134,483 miles; annual transportation, 37,816,485 miles; annual cost, $3,758,988, about 10 cents per mile.

The length of routes was increased over the preceding year 38,581 miles; the annual transportation, 18 724,420 miles; and the cost, $1,396 560, the increase arising principally from the restoration of service in the Southern States.

A table herewith annexed shows the rate of pay per annum for mail transportion in operation in the late insurgent States on the 30th June, 1866, $1 170 529, compared with the amount due for service actually rendered in those States in the year ending with that date, $769 218; the difference, $401,311, resulting from the fact that much of the service was in operation only part of the year. The net postal receipts from those States for the same period being $693,835, the liabilities (without including the compensation of route agents, local agents, and mail messengers) exceed the receipts by $75 283.

A table is annexed showing the mail service in operation in these States September 30, 1866, compared with the condition of the service in the same States, November 1 1865, the date to which the statements on this subject were made up in the last annual report. From this table it will be seen that there are in operation in the States enumerated ninety railroad routes, with an aggregate length of 8170½ miles, at a cost of $587,581 per annum; twenty-six steamboat routes, with an aggregate length of 5557 miles, at a cost of $195 565 per annum; and 1137 "star routes" (celerity, etc.), with an aggregate length of 46 442½ miles, at a cost of $1 062 477 54 per annum; making the whole service now in operation in these States, of all grades, 1253 routes, with an aggregate length of 60,170½ miles, at a cost of $1 845,623 54 per annum.

Compared with the service in operation on the 1st November, 1865, viz.:—Seventy one railroad routes, with an aggregate length of 6,242 2-10 miles, at a cost of $437,257 per annum; twelve steamboat routes, with an aggregate length of 3869½ miles, at a cost of $93 260 per annum; and 154 "star service" routes, with an aggregate length of 8186½ miles, at a cost of $177,743 per annum, there appears an increase of nineteen routes, 1,928 55-100 miles, and $150,324 annual cost of railroad service; fourteen routes, 2971½ miles, and $102,305 annual cost of steamboat service; and 983 routes, 38,256½ miles, and $884,734 54 annual cost of "star service;" making a total increase of 1016 routes, 41,872 55-100 miles, and $1 137,363 54 annual cost.

Another table is annexed showing the number, termini, and length of Southern railroad routes not in operation September 30, 1866: the number being only fourteen, and the aggregate length 696 12 100 miles. Comparing this with ninety routes in operation, having an aggregate length of 8170½ miles, shows a remarkable progress in the resuscitation of the railroad system of the South. There being two thousand two hundred and fifty routes in all the States enumerated, these statements show more than half the whole number to be in operation, comprising nearly nine-tenths of the railroad routes. All the routes in these States were duly advertised to be let to contract—a part from 1st of January, 1866, and the residue from 1st of July, 1866; but on a large number of them no proposals were received under the advertisement, and on many others the bids were extravagantly high. In the latter case, offers of the highest admissible rates were submitted by the department to the lowest bidders; and in some instances negotiations were opened through special agents, postmasters, and leading citizens. By all these means combined, the amount of service here stated has been obtained.

The existing contracts in all the States named, except Tennessee, will expire on the 30th of June, 1867. New advertisements, inviting proposals for four years' service from 1st of July, 1867, are now being issued, under which it is hoped all routes of real utility in the whole section will be let.

Foreign Mail Service.

The aggregate amount of postage, sea, inland, and foreign, upon the correspondence exchanged with foreign countries, was $2 289,219 30, being an increase of $469,290 70, as compared with the previous year. Of this amount $1,840,850 92 accrued upon the mails exchanged with Great Britain, France, Prussia, Bremen, Hamburg, and Belgium; $328,341 33 on mails exchanged with the British North American Provinces, and $120,077 05 on the correspondence transmitted to and from the West Indies, Mexico, Central and South America.

The transatlantic mail steamship lines employed in the service of foreign Governments conveyed mails, the postage on which amounted to $975,109 23, and those employed in the service of this department conveyed mails, the postages on which amounted to $865,691 69.

The United States' portion of the postages upon the correspondence exchanged with Great Britain and the continent of Europe amounted to $775,647 59; with the British North American Provinces, $188,883 53; with the West Indies, Mexico, Central and South America, $120,077 05.

The number of letters exchanged in the mails with foreign countries was 9 430 546; of which 4,586,916 were sent from and 4,843,630 received in the United States. Of this number, 8,564,847 were exchanged with European countries, an increase of 1,851 390 over the number exchanged in 1865.

The number of newspapers sent to foreign countries was 2,804,442, and the number received from foreign countries 1,381,724, making a total of 4 186,166

being ninety per cent. The number of letters enclosing sums of money less than one dollar, remailed to the respective owners, was 18,881, containing an aggregate amount of $662 55. Of these, 11,275, containing $3001 23, were delivered.

The number of letters containing papers of value other than money, as deeds, bills of exchange, drafts, checks, etc., received, registered and returned for delivery to the owners, was 26,610, and the nominal value of the enclosures therein was $7,826,831 08. The number of these letters delivered was 24,053, being 85 per cent.

The number of letters and packages containg photographs, daguerreotypes, and articles of jewelry, was 67,016, of which 53,572 were sent out containing, for the most part, photographs and daguerreotypes), and 42,746, or 80 per cent, delivered.

A large number of packages containing miscellaneous articles, for which no owners could be found, were sold at public auction, the proceeds amounting to $8543 14.

The number of letters returned, unopened, to foreign countries during the year was 193 751, the amount of unpaid postage on which was $9879 40. The number received from foreign countries in the same condition during the same period was 72,449, and the amount of unpaid postage thereon $2039 26.

The number of Congressional and official papers returned to the proper departments was 17,800.

The number of letters enclosing soldiers' discharges, and other military papers sent to the Adjutant-General's office, etc., was 8918.

The number of ordinary letters remailed to the writers was 1,746,156, being an increase of 583,472 over the number of the same character returned the year previous. Of these 1 275,845 were delivered.

The whole number of letters of all descriptions sent out during the year was 2 093,444, of which 1,602,224 were delivered, being 77 per cent.

Of the number of ordinary letters sent out for delivery since the 1st of July last, from which time, in accordance with the law, they have been returned free, 83 per cent. were delivered, being an increase of 17 per cent. over the percentage delivered during the same period of the year previous.

About 2 500,000 dead letters have been destroyed during the year. Of these upwards of sixty per cent. were ordinary business circulars, advertisements of lottery and gift enterprises, no less of corporate societies, and tradesmen's bills; the remainder being composed of letters not signed, or so written as to be unintelligible.

An investigation into the cause of the non-delivery of letters confirms the statement made in the last report, that three-fourths of the whole number failed to reach the parties addressed through faults of the writers, and it has been ascertained that the proportion of letters fully addressed returned from offices where the free delivery is established is less than three per cent. From some of these offices returns have been received, in which not a single letter so addressed appears without a satisfactory reason for the non-delivery. From 40 to 50 per cent. of dead letters are returned from these offices, and it thus appears that a more careful attention to the details of address on the part of writers, together with a more extensive use of request envelopes, would materially promote the certainty of delivery, and greatly diminish the number of dead letters.

Postal Money-Order System.

The number of money-order offices now in operation is 766, being 347 more than at the date of the last annual report, and measures have recently been taken to establish 67 additional offices in the Pacific States and Territories.

The number of orders issued during the year was 243,609, or the value of.....$3 977,259-28

The number paid was 233 124 of the value of....$3 851,889 49

To which is to be added amount of orders paid to purchasers..... 52,050-73

3,903,890 22

Excess of issues over payments.... 73,369 06

From the establishment of the system on November 1, 1864, to July 1, 18 a period of eight months, the orders issued amou t to $1 360,122 52, and the orders paid and repaid $1 313,577 08. On comparing these amounts with the corresponding transactions of the last fiscal ar, it appears that the business has been almost tr led.

The average amount of each order issued during the year was $16 02.

The whole number of duplicates was 1432, of which 1124 were issued to re e originals lost in the mails or otherwise, 296 we in lieu of orders invaudated by age, and 12 to replace orders illegally indorsed

The sum of $2 710,685 53, being surplus funds accruing at the smaller offices from the transaction of the money-order business, was transmitted to first-class offices used as depositories, either by national bank drafts or in registered packages by mail. The receipts and expenditures for the last fiscal year, as adjusted and reported by the Auditor, were as follows, viz.:—

Receipts:—

Fees on orders issued.....$35,799 93

Premium received on exchange..... 3 08

35 803 06

Expenditures:—

Commissions to postmasters.....$11 432 49

Clerk hire..... 14 910 50

Books and stationery..... 1 224 59

Premium paid on draft..... 25

Miscellaneous, including furniture and fixtures..... 563 41

Remittances lost in the mail..... 553 00

28,684 27

Excess of receipts over expenditures.. 7,138 79

This sum represents the gross amount of revenue derived from the transaction of the money-order business for the past year, and if we deduct therefrom the amount of the deficiency in the receipts as compared with the expenditures during the period of eight months ending July 1, 1865, as stated in the last annual report, viz..... 7 047 97

There remains the sum of..... 90 82

as the proceeds of the system from its commencement up to the close of the last fiscal year.

A remittance of surplus money-order funds, amounting to $617, sent in a registered package from Natchez, Miss., to St. Louis, Mo., was lost by the destruction of the mail steamer *City of Memphis*, on the 31st of May, but in consequence of delay in obtaining satisfactory evidence that this sum had been duly counted, registered, and mailed, and had subsequently been totally destroyed, the claim of the postmaster at Natchez to be credited therewith was not allowed by the Department, and transmitted to the Auditor in time to be inserted in his report.

The foreign postal service has grown to such magnitude that increased care and responsibility fall upon those having the direct charge of it; and I respectfully ask that authority be given to appoint a superintendent of foreign mails, and an additional clerk for that branch of the service

I also recommend that authority be given to appoint a superintendent of the opening and distribution of dead letters

The law regulating the franking privilege ought, in my opinion, to be amended. I do not think the privilege should be abolished. I think it a necessity for the different departments, as well as for Congress But great abuses have grown up under it. To avoid frauds and a misuse of the privilege, I recommend such a change in the law as to require the written signature of the person exercising the privilege upon the matter franked; and to relieve the heads or departments and bureaus of great labor, that a franking clerk be authorized by law for each department of the Government, with the right to frank all matter pertaining to the department for which he is appointed.

Respectfully submitted:

ALEXANDER W. RANDALL,
Postmaster-General.

The President.

THE NAVAL ARM.

OUR FLAG ON DISTANT SEAS.

The Perfection of American Iron-Clads.

HOME RESOURCES OF THE DEPARTMENT

Report of Hon. Gideon Welles, Secretary of the Navy.

NAVY DEPARTMENT, December 3, 1866.—SIR:—I have the honor to present the annual report of the condition and operations of this Department and of the navy during the year. The reduction of the naval force at home and the establishment and reinforcement of the squadrons abroad, with the repairing and placing in efficient condition the vessels and machinery which had become worn and defective by long and constant hard usage, have continued to be objects of paramount importance in the administration of naval affairs since my last annual report.

General Exhibit of the Navy.

The total number of vessels in the navy at this time is two hundred and seventy-eight, armed with two thousand three hundred and fifty-one guns. Of these there are in commission and on active duty one hundred and fifteen vessels, carrying one thousand and twenty-nine guns.

The following general exhibit gives in detail a statement of the character and condition of the naval force:

	Number.	Guns.
Vessels in squadron service	69	634
Vessels on special service	9	85
Vessels on service at home stations, including receiving ships, Naval Academy, navy yard duty, &c.	37	252
Total number of vessels in commission	115	1029
Iron-clad vessels laid up	54	147
Iron-clad vessels not completed	7	40
Steam vessels not completed	19	386
Sailing vessels not completed (old line-of-battle ships	2	.....
Wooden vessels laid up, repairing, fitting for sea, and for sale	31	749
Total number of vessels and guns	278	2351

The total number of seamen in the naval and coast service is about 13,000 men.

The Squadrons.

In the spring of 1865, measures were taken, while reducing our naval force and disbanding our blockading fleets, to re-establish our foreign squadrons, which had been recalled in the spring of 1861. For four years our commercial interests had necessarily been left almost without other protection than such as could be rendered by a few isolated cruisers, which represented us at remote points. But the display of the flag of the Union in foreign ports and on distant seas, even at long intervals, by a roving man-of-war, was an admonition of the naval power of the United States, though employed for the time in aiding to suppress domestic difficulties, it was well understood would be prompt and efficient in vindicating the rights and interests of our countrymen.

Before the close of the year in which the Rebellion was suppressed, our foreign squadrons were re-established, and the admirals in command on their respective stations. These squadrons have been from time to time augmented, and, with a degree of activity and energy never before exhibited, have, by one or more of their vessels, during the year visited nearly every principal port of the world. The views of the Department enjoining activity, and the exhibition of the flag of our navy wherever our commerce penetrated, have been faithfully observed, and the reappearance of our men-of-war has been welcomed, not only by our countrymen, but by the people of every nation which they have visited.

European Squadron.

The restrictions imposed upon American armed ships during the Rebellion by the great maritime powers of Southern Europe virtually excluded our naval vessels from the ports of those countries. When Rear-Admiral Goldsborough received his orders, these restrictions had not been removed, and avoiding for the time the ports and countries from which our men-of-war had been excluded, he established his head-quarters at Lisbon.

This squadron, which is still commanded by Rear-Admiral Goldsborough, is composed of the following vessels:—

	Guns.		Guns.
Canandaigua, flag-ship	8	Canandaigua	9
Ticonderoga	11	Frolic	5
Augusta	10	Miantonomah	4
Swatara	10	Guard	3
Shamrock	10	Iroquois	6

The limits of this squadron embrace the Mediterranean, the western coast of Europe, and Africa as far south as St. Paul de Loando. Great activity has been exhibited by most of the vessels, some of which have visited the principal ports of the Baltic and Mediterranean, as well as those on the Atlantic. Except when important public interests or some unavoidable circumstance has rendered their presence in port indispensable, the ships have been almost constantly cruising. In pursuance of the system of active operations adopted by the Department when re-establishing the foreign squadrons, lengthy anchorages and cruising collectively have been avoided.

These naval representatives of our own country were warmly welcomed by the different nationalities, and more extended commercial and friendly intercourse was invited. The appearance of our naval vessels gave confidence wherever they went, and encouragement to the immense emigration which, like an irresistible current, flows with increasing volume westward, especially from northern Europe.

On the decks of one or more of the vessels of this squadron the sovereigns, or some representatives of the reigning families, and the people, of most of the maritime powers of Europe have, during the year, received and interchanged courtesies with our officers. All expressed their gratification with the reappearance of our flag in their waters, and extended their congratulations on the return of peace and the restoration of the Union.

When the usual tranquility of any of those countries has been disturbed by wars and revolutions, the appearance of our flag has imparted security to our citizens there located. In the early part of the year the disturbed condition of Spain, and during the summer the war between Austria and Prussia and Italy, excited lively interest. An ample force during these periods was maintained on the Spanish coast, and the German ports were visited. When agitation and revolution ceased in one quarter, and peace was restored in the other, the active movements of the squadron were resumed.

The *Ticonderoga* passed the Dardanelles and went up to the capital of Turkey on the 7th of September. The anchoring of a man-of-war of her dimensions in the Bosphorus, before the palace of the Sultan, had not been permitted to the naval vessels of any other power since the treaty of 1856. The officers were received by the Sultan and people in the most cordial manner, and the vessel was visited by the Grand Vizier, his Minister of Foreign Affairs and others of his Cabinet, and by the members of the diplomatic corps at Constantinople. On her arrival at Tripoli on the 18th of October she was received with marked courtesy by his Highness Dersouke and Consular officials in the place. Our Consul there reports that the visit had a most happy effect, none of our men-of-war having visited the place for several years.

The shores of Greece, the Syrian coast, the Barbary States and the settlements on the northwest coast of Africa accessible to our ships-of-war, have received due attention, and friendly relations have been cultivated in all those quarters.

The large emigration to our shores from Germany and Northern Europe rendered it important that special attention should be directed to that quarter. Early in the spring the Department had made preparations to send out the turreted iron clad *Miantonomah*, accompanied by the steamer *Augusta*, to join the European squadron. Before these vessels were ready to sail, Congress passed the resolution approved May 16th, 1866, greeting the Emperor and constitutional people of Russia on the escape of His Imperial Majesty from assassination. A request that the President should forward a copy of this resolution to the Emperor, followed by the authorized appointment of an additional Assistant Secretary of the Navy for six months, led to the designation of Assistant-Secretary G. V. Fox to bear to his Imperial Majesty the resolution of Congress. He was authorized to take passage in the *Miantonomah*, which vessel, with her companion, the *Augusta*, was directed, before reporting to Rear-Admiral Goldsborough, to proceed to Cronstadt, to carry out the purposes of the resolve. In compliance with these orders, those vessels have visited the Baltic, and have also entered the principal ports from Cronstadt to Lisbon, including the capitals or Sweden and Denmark.

The reception of this force wherever it has appeared, and especially in Russia, where all classes were impressed with the friendly sympathy evinced by our Government toward the Emperor and people, was of a most flattering character. The Assistant Secretary and the officers of the navy were welcomed with festivities and extraordinary courtesy and attention for a succession of days, not only at St. Petersburg but at Moscow, and throughout the empire, and warm friendship was everywhere manifested for our country and people.

Great courtesy has been shown the squadron in the ports of those countries from which our men-of-war had for several years been excluded, and every facility has been extended at their dock-yards and elsewhere for the accommodation and repairs of any of our vessels.

Contagious disease has prevailed at many places, which our vessels could not visit unless required to do so by positive necessity.

In order that the activity and service of this and all our squadrons may be known and appreciated, an enumeration of the ports which they have respectively visited is given.

During the year the flag of the navy has been shown at Gibraltar, Kingston, Belfast, Liverpool, Swansea, Falmouth, Portsmouth, Southampton, Plymouth, Sheerness, Spithead, Chatham, and other points in Great Britain; Marseilles, Toulon, Brest, Cherbourg, L'Orient, Rochefort, Lormont near Bordeaux, and Villa Franca, in France; Barcelona, Malaga, Carthagena, Corunna, Valencia, Gibraltar, Terragona, Cadiz, Ferrol, Port Mahon, Vigo and other ports in Spain; Lisbon and Oporto in Portugal; Messina, Palermo, and Syracuse, in Sicily; Naples, Spezia, Leghorn, and Civita Vecchia, in Italy; Milo, Athens, and Piraeus, in Greece; Constantinople and the islands of Candia and Cyprus, in the Turkish dominions; Syria, Beyrout, Trieste, Venice, Alexandria, Tripoli, Tunis, Algiers, Tangiers, Antwerp, Kiel, Hamburg, Flushing, Nieuwe Diep, Sierra Leone, Monravia, Cape de Verd Islands, the Canaries, the Azores, Porto Praya, St. Iago, the ports on the Elbe and Weser, in Germany, and many others of lesser note.

Asiatic Squadron.

The Asiatic Squadron embraces the eastern coast of Africa and Asia, and the islands which stud the seas and ocean eastward of the Cape of Good Hope. The squadron is commanded by Rear-Admiral H. H. Bell, who reached Batavia, within the limits of his command, on the 28th of December, 1865. The vessels of the squadron are:—

	Guns.		Guns.
Hartford, flag-ship	22	Shenandoah	9
Wachusett	10	Wyoming	7
Monocacy	10	Supply	6
Ashuelot	10	Relief	3

All the open ports of China, including some which no American man-of-war had ever entered, have been visited by the vessels of this squadron. Rear-Admiral Bell in April proceeded to Canton, where he had a friendly reception and an agreeable interview with the Governor-General of the Quangtong provinces. The disposition manifested toward our country and countrymen was of a gratifying character. Unlike the great maritime nations of Europe the Chinese Government and people gave no encouragement or recognition to the rebels in their war upon the Union.

American residents in that far distant quarter of the globe have not been interfered with in their legal pursuits, or molested by the natives, save in a single instance. The exception was that of the United States Consul at New Chwang, who was assaulted by a party of dissolute characters. The *Wachusett* was despatched in June to that port for the purpose of securing the arrest and punishment of the parties who were engaged in the outrage. By the considerate, yet determined course of Commander Townsend, the trial or eight of them was secured and conviction followed. The ninth, and chief instigator, whom the authorities seemed powerless to arrest, was seized by Commander Townsend and delivered over for trial.

While waiting the decision of the courts in the case of these outlaws, Commander Townsend, at the request of the Chinese customs authorities, availed himself of the occasion to survey the bar at the mouth of the Lian river. The channel was ascertained and buoyed for the benefit of the commerce of the world.

The increase or renewal of piracy in the Chinese waters has rendered the institution of decisive and vigorous measures for its arrest a necessity. Rear-Admiral Bell has been fully authorized to act, in concert with the naval commanders of other nations on that station, in the suppression of piratical depredations.

The small number of our vessels in those waters—as compared with the English and French fleets—as well as the size of our ships, has not admitted of enlarged and distinct arrangements for pursuing the lawless depredators, who seek shelter among the shoaled and most intricate waters. A class of smaller vessels will seem to enforce this squadron. In the meantime, Rear-Admiral Bell is giving his earnest efforts to this great object, and the force under his command is under orders to pursue with vigor and destroy all piratical vessels, and deliver the captured freebooters to the authorities at the nearest consular ports.

During the summer, Rear-Admiral Bell has visited the several open ports of Japan in his flag-ship, the *Hartford*, taking with him one or more of the other vessels of his squadron. He passed through the Straits of Simonosaki and the inland sea, where no American man-of-war had been since 1863. There were apprehensions that he might meet with some opposition at that quarter in consequence of the rebellious attitude of the Prince of Nagoto towards the Government of the Tycoon and the existence of war between them. He met with none, however, and the passage was made quietly, without coming in contact even with the outposts of the disaffected province, in accordance with his determination announced to the Governor of Nagasaki before departing from that port. This pass is an important one to the commerce of the United States, and the passage of our vessels through it, during a season of hostility, indicates that there is a disposition on the part of the people of Japan to reciprocate the kind feelings which we entertain towards them and to respect our flag.

The manifestations of the Japanese towards Americans have been more friendly than to any other nation. While Europeans were excluded from intercourse with them, they entered into treaties with the United States and opened their ports to our trade. It is important in every point of view that these amicable relations should be cultivated and sustained, and that there should be no aggressive movements on the part of this country. If, in the not distant future it will be of importance to this country to secure the commerce of Japan, and we should not permit ourselves to become complicated in the controversies of other powers with this peculiar people. Such is the policy of this Department.

The *Shenandoah*, on her way to the Asiatic coast visited many ports, after leaving the Cape of Good Hope, unfrequented by vessels of the United States Navy. The intercourse between the officers and the authorities in all instances was mutually pleasant. While at Tamatav, in the island of Madagascar, Captain Goldsborough, in company with the United States Consul and a large number of officers of the *Shenandoah*, made an official visit to the Governor of the province, by whom, surrounded by his counsellors, he was received in the council chamber. The Governor expressed his gratification and pleasure in seeing an American vessel-of-war for the first time in a port of Madagascar, and offered any assistance in his power which the vessel might require. The treatment received from the natives was most kind and hospitable.

Proceeding up the Arabian sea, the *Shenandoah* anchored in the cove of Muscat on the 15th of September last, where she remained for three days. Immediately on the arrival of the vessel, an officer came on board with the compliments of the Iman, to extend welcome to the port, to offer the facilities of the place, and to express the desire of his Highness to exchange the customary courtesies. A salute of twenty-one guns was fired by the *Shenandoah* and promptly returned. The commanding officer and others of the vessel called on the Iman, who, surrounded by the Governor of the Province, the Councillors of State, and several military officers, received them in a dignified manner. The Iman was particular in his inquiries as to the health of the President and people of the United States, with whom he hoped to be always on terms of peace. There are no American residents at this place, but our commerce, which we desire to encourage and extend to every sea, was not absent from this distant quarter, there being two vessels at the time belonging to our countrymen waiting cargoes in the cove of Muscat.

In May last the head-quarters of the squadron were removed from Macoa and re-established at Hong-Kong, which is considered the most convenient and best anchorage for that purpose.

The following ports, among others, have been visited by the vessels of Rear-Admiral Bell's command:—Macao, Swatow, Amoy, Foo-Chow, Ningpo, Shanghai, Whampoa, Canton, New Chwang, Chee-Foo, Tang-Chow and Taskee, in China; the ports of Japan; Manilla, in the Philippine Islands; Ambong, in Borneo, and Batavia, on Java, her way out. The *Shenandoah* touched at Fayal, Funchal, Santa Cruz, Porto Grande Porto Praya, Simonstown, Mauritius, Tamatav, in Madagascar; Mahe, one of the Seychelles group; Muscat, in Arabia; Bombay, Ceylon, Calcutta, Penang and Singapore.

North Atlantic Squadron.

During the greater part of the year the service required of the Navy on the North Atlantic coast and in the West Indies has been divided between three squadrons, but on the 1st of November last the Atlantic coast and West India squadrons were consolidated, and thereafter the squadron in those waters, under the command of Rear-Admiral Palmer. The vessels are as follows:—

	Guns.		Guns.
Rhode Island (flag ship)	12	Monongahela	9
Osceola	10	De Soto	9
Saco	12	Bienville	9
Mackinaw	10	Canandaigua	8
Agawam	10	Florida	6
Lenapee	10	Daffodil	1
Chickopee	10		

Until the union of the West India and Atlantic coast squadrons, the former was under the command of Rear-Admiral Palmer, and the latter under Com. Joseph Lanman. The vessels of these squadrons, besides guarding the coast, have visited the following points outside the United States:—Havana, St. Jago de Cuba, Matanzas, Port au Prince and Cape Haytien, Bermuda, St. Thomas, Port au Prince and Cape Haytien, in Hayti; St. Domingo city; St. John's and Mayaguez, in Porto Rico; Kingston and Port Royal, in Jamaica; Santa Cruz, St. Croix, Nevis, Antigua and St. Bartholomew's, of the Leeward Islands; Barbadoes, Trinidad, Martinique, Tobago, St. Lucia and St. Vincent, of the Windward Islands; Demarara, in British Guiana; La Guayra and Porto Cabello, in Venezuela; Curacoa and the Island of Nevaza. Some of these points have seldom or never been visited by an American man-of-war. There has also been a vessel at Aspinwall, prepared to give assistance and protection to the immense numbers of our countrymen, and the vast wealth crossing the Isthmus. A portion of the squadron has been on the northeastern coast, and visited Halifax, St. John's, Picton, the Magdalen group, Prince Edward's Island and other points.

Revolutionary movements and civil disturbances in Hayti and St. Domingo, which threatened to place in jeopardy the lives and property of American residents, or made their presence there necessary, have called for visitations of our naval vessels and the exhibition of the flag at frequent intervals in those quarters. There has, however, been no occasion for interference, for the rights of our countrymen have been respected.

Rear-Admiral Palmer, in April last, was ordered from the West Indies with a portion of his command to the northern limits of his station in consequence of apprehensions then prevalent in regard to the condition and treatment of our fishermen on the eastern coast. But the liberal and conciliatory policy of the English Government dispensed all apprehended difficulties, and all questions were settled in such train of adjustment that no necessity arose requiring the presence of a naval force on the fishing banks; other threatening questions were also quietly disposed of. During the summer, Admiral Palmer visited Halifax in the steamer *Rhode Island*, and during June and July last made a cruise among the fishing fleets in the Gulf of St. Lawrence. Our citizens engaged in the fisheries were found pursuing their avocation quietly, and good feeling between them and their neighbors prevailed. The intercourse between the officers of our service and the authorities at British ports visited was most friendly, and the former were the recipients of gratifying attentions.

The vessels on the West India station were instructed to exercise vigilance in detecting slavers and preventing the slave trade provided any lingering remains of that nefarious traffic still existed. But no captures have been made, and it is to be hoped this infamous trade is extinguished.

South Atlantic Squadron.

The South Atlantic squadron, which embraces the southeastern coast of South America, and the west coast of Africa from the Cape of Good Hope to Saint Paul de Loando, is commanded, as at the date of the last annual report, by Rear-Admiral Godon. The vessels are the

	Guns.		Guns.
Brooklyn, flag-ship	21	Nipsic	8
Juniata	15	Shawmut	6
Shamokin	10	Wasp	3
Kansas	9	Onward	3

The vessels of this squadron have, during the year, visited Rio de Janeiro, Bahia, St. Catherine's, Caravanham, Pernambuco and Santos, in Brazil; Buenos Ayres and Rosario, in the Argentine Republic; Montevideo, Colonia and Pasandre, two hundred miles up the Uruguay river, in Uruguay; Concepcion, in Paraguay; St. Paul de Loando, Benguela, Little and Great Fish Bays, and other points on the coast of Africa, the Falkland Islands and St. Helena.

The duties of this command have been faithfully and promptly performed, without any extraordinary incident to record. The re-establishment of the squadron in that quarter has been productive of friendly and beneficial intercourse between the officers and seamen of our service and those of other powers in whose waters our vessels have appeared. Rhade Janeiro has been selected as the head-quarters of the squadron, and at St. Paul de Loando, which is now embraced within its limits, a joint depot of stores and supplies for the South Atlantic and European squadrons has been established. It is believed that so far as the former squadron, particularly, is concerned, the arrangement will be productive of economy, and that advantage is to flow from embracing a portion of the southwest coast of Africa and the east coast of South America in one squadron. The saving of fuel—one of the most costly articles on our foreign stations—is a subject worthy of the closest attention, and is one of the objects which the department had in view in fixing the present limits of the squadrons. A vessel taking its departure from some point on the southeast coast of South America can run before the wind over to the African coast, follow that coast under steam to the depot at St. Paul, and then take the trade winds back to the coast of Brazil.

The *Juniata* arrived at Rio on the 16th of September, having made a successful cruise to the southwest coast of Africa. The information obtained by her goes far to confirm the impressions that the maintenance of a permanent squadron on the African coast will no longer be required. But one slaver had been fitted out on the southern coast of Africa within the past year, and she had been captured on the coast of Cuba with her cargo. It was the opinion of prominent officials at Loando, including the French admiral on that station, that the slave trade had expired and that this form of evil was on its decline, and became a matter of history.

In assigning to the European and South Atlantic squadrons the duties heretofore performed by what was known and maintained as the African squadron, that distinct organization has been dispensed with, and the service is more economically performed.

The prevailing war between the allied powers of Brazil, Uruguay, and the Argentine Republic and Paraguay has rendered it advisable to keep one or more vessels in the vicinity of the La Plata. The Paraguay has been most of the time in that locality, and American citizens and interests have received due care and attention, aid and encouragement being always near at hand and ready to be extended in their behalf.

In April last Rear-Admiral Godon ascended the Uruguay river as far as Pasandre, some two hundred miles above Montevideo.

North Pacific Squadron.

The extensive limits of the Pacific Squadron, and the important and rapidly increasing American interests on the western coast of this continent, which require to be protected, rendered a division of the naval force advisable. By this division the North Pacific squadron was made to embrace the coast of North America and the Sandwich Islands, and was placed under the command of Rear-Admiral Thatcher. This officer hoisted his flag at San Francisco on the 6th day of August, 1866. The following vessels have been allotted to this squadron:—

	Guns.		Guns.
Vanderbilt, flag-ship	15	Jamestown	22
Pensacola	21	Lackawanna	9
Saranac (temporarily)	15	Monican	8
Suwanee	12	Resaca	8
Mohongo	10	Saginaw	4

The *Pensacola*, *Saranac*, and *Resaca* have not yet reached their destinations, and the *Suwanee*, under authority of an act of Congress, is aiding the Western Union Telegraph Company in laying a telegraphic cable on the northwestern coast.

The vessels of the squadron have visited the Sandwich Islands, the ports of Central America, Puget Sound, and Acapulco, Guaymas, Mazatlan, San Blas and La Paz, in Mexico. At all times one or more vessels have been at San Francisco, and also at Panama, ready for any emergency, and there has been almost constantly a vessel at or in the vicinity of Acapulco, the most important point to our interests on the west coast of Mexico.

In the latter part of September a conveyance to Honolulu in the *Vanderbilt* was tendered to and accepted by Queen Emma, and the vessel sailed from San Francisco on the 13th of October on that service.

A more thorough exploration of the Pacific Ocean, with a view of correcting the charts and thereby lessening the dangers to navigators, is important, and our cruising vessels are expected to render themselves useful in ocean surveying service. Under the special direction of the Bureau of Navigation, which is intrusted with the details of such work, much valuable nautical information may be obtained by competent and efficient officers, who, with the means furnished to each vessel, will be able to correct some existing errors and establish with approximate correctness the geographical position and actual extent of many of the dangers which are now imperfectly stated. The cruising vessels of this squadron, when not on special service, instead of avoiding these reported but doubtful and ill-defined dangers, will make it their duty to ascertain, by actual observation and search, the exact facts in regard to them, and report full particulars to the Department.

South Pacific Squadron.

The South Pacific Squadron extends from Panama to Cape Horn, and includes within its limits Australia. This squadron is under command of Rear-Admiral Pearson, who, until the division of the squadron, had charge of the entire force in the Pacific Ocean. He is to be relieved by Rear-Admiral Dahlgren, who sailed from New York on the 1st instant. The vessels composing the squadron are the following:—

	Guns.		Guns.
Powhatan (flag-ship)	22	Dacota	7
Tuscarora	10	Farallones	6
Wateree	10	Fredonia	4
Nyack	8		

The *Lancaster*, recently attached to this squadron, is on her return to the United States. The following points have been visited during the year:—Valparaiso, Callao, and the commercial ports between those points; the Chincha Islands, Payta, Guayaquil, Panama and the Straits of Magellan.

Events transpiring on the coast of Peru and Chili have rendered the presence of the greater part of the Pacific squadron necessary in that vicinity. In the absence of Rear-Admiral Pearson, on the cruise to the Sandwich Islands, war was declared and entered into between these powers and Spain. Information of this fact was despatched to Rear-Admiral Pearson, with orders to proceed without loss of time to Peru and Chili. These did not reach him until his return to San Francisco. With as little delay as possible he proceeded to execute the orders he received, but before he arrived at Valparaiso the Spanish fleet had bombarded the city, inflicting great damage.

In anticipation of active hostilities between Spain and the Southern Republics, whereby American interests, and especially the shipping interest at the Chincha Islands, might be put in jeopardy, the Department had taken, the preceding autumn, measures which reinforced our squadron in the Pacific by sending thither a special force, consisting of the turreted iron-clad *Monadnock*, *Vanderbilt*, *Tuscarora* and *Powhatan*, under the command of Commodore John Rodgers. This officer reached Valparaiso previous to the bombardment of that city, and apprehending the views of the Department, remained in that station for protection for American commerce.

Rear-Admiral Pearson, the appearance of so distinguished a commander with a formidable squadron on the eve of so important an occasion and in the absence of Rear-Admiral Pearson, was opportune and fortunate.

The course pursued by Commodore Rodgers in protecting American interests, and in observing and preserving the neutrality of the harbor, met with approval. Whatever may have been his opinions or feelings as regards the course which the Spanish admiral thought proper to pursue, he was not required to interpose his force against or for either party. As the armed representative of this Government, while the friendship was preserved for each of the belligerents, it became his duty, even while endeavoring to mitigate the harsh severities of war, to maintain a strict neutrality. His friendly offices in the cause of humanity were manifested so long as they could be effective; but the officers of our neutral power have declined the offers of any decided steps to protect the city, no alternative remained for him to pursue, consistently with the position of this Government towards the parties, than that which he adopted.

After the bombardment of Valparaiso, which took place on the 31st of March, the Spanish fleet retired from before the city and proceeded to Callao. Rear-Admiral Pearson, who reached Valparaiso on the 17th of April, also proceeded to Callao, and was present during the attack on the defenses of that port on the 2d day of May. No occasion was presented for him to depart from the neutral position which had been taken, and which has been scrupulously observed throughout the contest, towards these belligerents.

Gulf Squadron.

Affairs of public policy required that an organized squadron should be continued in the Gulf of Mexico. Commodore John A. Winslow was selected for that command, and entered upon his duties on the 7th day of May, 1866. The vessels of this squadron consist of:

	Guns.		Guns.
Estrella (flag-ship)	10	Chocura	2
Mahaska	10	Tahoma	2
Tallapoosa	10	Yucca	2
Potomac	25	Glasgow	2
Paul Jones	8	Charlotte	—

The vessels have patrolled the Gulf of Mexico, and repeatedly visited all ports on the coast from Key West to the Rio Grande; also, Havana, Matanzas and Cardenas, on the north side of Cuba, and the waters of the Rio Grande and Tampico, in Mexico.

On repeated occasions during the year one or more vessels of this squadron have been sent to Tampico. Apprehensions were at times entertained by the American residents in that city as to their entire security and safety. The reports of the commanding officers to whom the service was assigned indicate that neither American citizens nor American interests have suffered violence from either of the contending parties.

During the spring and summer, reports were circulated of the intentions of lawless parties to seize colored persons on the southern coasts of the Gulf States and carry them into slavery, the neighboring Island of Cuba being their alleged destination. Such contemplated violations of our laws and the rights of humanity were sufficient of themselves to arouse the vigilance of the Gulf and coast squadrons, each or which had its attention called to the subject and was at all times vigilant to defeat such schemes, if they existed, and intercept those who should venture to engage in them. Judicious inquiry and anxious watching have failed to bring to light any attempt to carry on this detestable traffic. Precaution was taken, by despatching a vessel for the especial purpose, to warn our consular representatives at the neighboring ports of Cuba of suspected movements of the kind referred to, and from an expression of opinion obtained from those officers and others after diligent inquiry, it is difficult to believe that, even if an expedition of that character were successful in departing from our shores, it would be permitted to land or be received into Cuba.

Special Service.

Besides the vessels attached to the several squadrons, a number are on special service. The *Sabine*, the apprentice ship of the navy; the *Massachusetts*, *Memphis* and *Neshaminy*, which are used in conveying supplies mails, and officers and seamen to and from this squadrons on the coast; the *Dale*, *Dunderberg*, which has recently returned from St. Paul de Loando, where she landed a cargo of stores for the European and South Atlantic squadrons; the *Don* and *Ascutney*, used for towing and other service between the yards and stations; the *Sacramento*, on a special cruise and under special instructions to the coast of China and Japan, touching at various localities in the route for the purpose of her mission, and the *Michigan*, employed on the lakes.

The *Sabine* has her head-quarters at New London, with her fleet for cruising extending from the coast of Maine to the Capes of the Delaware.

The *Michigan*, as soon as the ice permitted the resumption of navigation, early in May, was about proceeding on a cruise through the lakes, when disturbances on the frontier assumed such proportions as to require the co-operation of that vessel with the military and civil authorities to preserve in good faith the neutrality laws. The *Michigan* was engaged in this duty from early in May until June, delaying her annual cruise to the upper lakes. When the armed force which invaded Canada was defeated, the fugitives, driven from their positions by the force directed against them, were about seven hundred of them, captured in their retreat by the *Michigan* on the 30 of June, in Niagara river, off Lower Black Rock. They were retained and provisioned on board the *Michigan* until the 9th, when they were turned over to the civil authorities. On the 16th of June Captain Bryson was notified by the military commander of the district that the co-operation of the *Michigan* was no longer required at that point, the difficulties on that portion of the frontier having terminated. Shortly afterwards the *Michigan* made a circuit of the upper lakes, visiting Cleveland, Detroit, Mackinaw, Green Bay, Milwaukee, Racine, Grand Haven, and returning to Erie and Buffalo.

The steam frigate *Susquehanna*, Commodore James Alden, is on special service, having been ordered to convey our minister to the Mexican republic and Lieutenant-General Sherman to Vera Cruz, or such point as would be required.

"Monadnock" and "Miantonomah."

The turreted or monitor class of vessels were never designed by the Department for cruising purposes, but for harbor defense and operations upon our coast. In the object for which they were intended, these vessels are unformidable and efficient as was anticipated, and will furnish security to any port, and be able to disperse or destroy any blockading fleet which may appear in our waters. The peculiar formation of our coast is in itself a protection against the heavy and formidable iron-clads of immense tonnage and deep draught which European constructors have devised, because, except at a few points, it will be difficult for them to approach within cannon-shot of our shores, and there is but a single port which they can enter from the Capes of the Chesapeake to the Rio Grande. But, while in the estimation of our most naval officers our monitor class of vessels are more than a match for the monstrous and expensive iron-clad structures of Europe, they are of such draught that they can enter all of our principal harbors, and are, therefore, peculiarly adapted to our coast defense.

The impression sought to be created that these vessels could not venture outside the harbors where they were constructed, or at all events, that they could not proceed on a distant voyage, has been dispelled by the cruise of the *Monadnock*, which, after navigating the Atlantic and Pacific, reached San Francisco in safety. The *Miantonomah*, another monitor of the same type as the *Monadnock*, crossed the Atlantic, passed up the Baltic to Cronstadt, and has visited many of the principal ports of Europe. These vessels have, in these two voyages, disposed in a great degree of the misrepresentations and prejudices which had been created, and proved that any of the turreted vessels to perform long voyages, when required.

Great credit is due to Commodore John Rodgers and the officers and crew who were charged with the labor, responsibility and risk of vindicating the navigating power and capability of these American naval vessels. To Lieutenant Commander Stephen B. Bunce, who volunteered to navigate the *Monadnock* to San Francisco, and performed that duty, which many deemed hazardous, and not a few denounced as an impossibility, honor, and praise and promotion are due for perseverance and successful daring. Service such as his cannot be otherwise than appreciated and rewarded by the country.

Rear Admiral Goldsborough, in a despatch dated the 7th of November, 1866, says:—"The pilot who went from Cherbourg to Brest with the vessels, a man of large experience, told me that he never in his life saw a vessel behave better than the *Miantonomah*, and for his part, as far as safety was concerned, he would be willing to go round the world in her. Vice Admiral Popoff of the Russian navy, who took passage in the *Miantonomah* from Hamburg to Cherbourg, also told me that he was particularly struck with her good sea qualities in the midst of a heavy blow and sea encountered just after leaving the Elbe, and that if he was in my place he would pref

(Continued from the First Page.

He was sent to that old-time State school, which is itself one of the offspring of the Reformation's storm. It is astonishing what the Reformation did for the country of England and the world. In the olden time, when these monasteries and sanctuaries existed, to a greater extent than ever, when men died as sinners, large sums of money were extracted from them.

The old Charlestown School was a school that took a good part in the revolution of 1688, for it was in this school that James, by a change in its charter, brought to an end the Papal control in that momentous hour when constitutional principles were trembling in the balance.

Wesley was sent to this school through the influence of those who were interested in the education of the children of the clergy. Mrs. Wesley bore an honored name—the name of Annesley (Amsey). We are told that Wesley was grave, and attentive to his studies in early life.

He was not only in youth a boy well disciplined, but you find that he received from his mother a philosophy highly useful in after life. I notice that, on his first mornings, long before the other scholars were up, he was out and away, scampering around the old Charter House, playing while his schoolmates lay napping. Some of them afterwards said to him—"John, why do you get up so early in the London fog—this damp fog?" His reply was:—"I did it because my mother told me." (Applause.) Thus, in the outset of life, he laid down that grand rule of conduct which, by the blessing of God, led to great and wise results.

We find him, in the year when he had attained the age of seventeen, entering the grand old college of Oxford, to commence an academic career. In England, among the lower classes, who are far removed from knowledge, there was a general belief that Mr. Wesley was an uncultivated fanatic—a man without culture, without discipline and brain; but this belief was soon uprooted.

Mr Wesley commenced his ecclesiastical career with all the avidity of a young ambitious man, who felt that there lay before him a career of glory. He became not only an excellent Latin scholar, working in the most persevering way for the accomplishment of the great benefit which that language would give him but we are told that he read and spoke in the Latin language with a power that astonished his own tutors. Mounting the pyramid of Greek learning, he entered fully into the Greek school, and read with the utmost skill from the old scholastic tribunes. He mastered it; and so apt did he become in it that he could discern its riches with the taste of a critic, so as to become acquainted with the nicer and more refined beauties of that classical tongue.

We find him well posted in mathematics, and a perfect master in the art of debate. He took his stand in the University of Oxford, agreeably to his degree of Bachelor of Arts. He made himself master of the leading characteristics in the history of our nation; he went into nothing that dissipated the mind or weakens the brain. He stands forth as one who has done much for the extension of scholastic power among the rising generation.

It seems to me there are two glories in America that cannot be debated or disputed:—The glory of your free churches—these churches that could have done what this Methodist Church has done; and the glory of your free schools—that great glory that destroys the monotony of learning, and that covers the ground of the Republic with the banner of light and the banner of Christian teaching. (Applause.)

But it was this classical craving of John Wesley, with the glorious attainments of his college career, that culminated in that great compliment of the Greek lectureship—Mr. Wesley being appointed Greek Lecturer at the age of twenty-three, an unusually early period for a man to receive such an appointment.

I say that it seems natural that this distinguished English scholar should be said to be filled with fanatical impulses and passions, as a man incapable of appreciating the nicer beauties of art, or the subtle disquisitions of philosophy, or the brilliant beauties of cultivated intellects, either in art, poetry, philosophy. It is obvious that Mr. Wesley was a well-read scholar, a man of learning, a distinguished gentleman; and I do not only lay stress on these great features of his early life, but I notice a Christian, ministering to the conversion of souls, to the earnest truths of the Gospel.

In the midst of vicious scenes at school, he resolved, by the help of God, that he would forever shun the evils that degraded and debased many of the young men around him. It was then that he sought the companionship of a small number of wise and sober youths. He associated together with a few; he resolved to live frugally—no doubt his comparative poverty would force frugality upon him. He drank water instead of wine; he reduced his diet to the food of the poorer classes; and taught himself that every man should use the greatest discipline with his appetites. He was not moved at that day by the highest religious motive, and yet there was ever within him the desire to do what was right and shun that which was wrong.

But Wesley was soon unpopular with some of the people. He was called all manner of epithets by his fellow-students while laboring in his work of establishing the holy religion.

At about twenty-three years of age his father, in a letter, speaks hopefully of his religious condition. He finds religion to be his steady, earnest study. Wesley comes into the deaconship of an established church. He is on the road to a high religious standing. He becomes his father's steward, and explains the Word of the Gospel to some degree; but, as yet, there does not appear to be that bright light shining in his soul which was afterwards to illuminate the souls of hundreds of thousands.

He turned his attention to those in the world—to this New World, which has always fascinated the hearts of all, from the days that the Puritans first landed on Plymouth Rock.

He turned his attention to these scattered States on this American continent. With all the ardor of a noble resolve, he determined to visit these colonies. It is difficult to say what passed in the mind of Mr. Wesley when he crossed the Atlantic to settle down in the State of Georgia—a very difficult State to settle in for a gentleman like Mr. Wesley, for he brought his notions of discipline, which, no doubt, caused his failure to be satisfied with the country.

Georgia was a State corrupted at this time by the great evil of slavery, and we cannot forget his impressive words, "that the English nation was responsible for slavery," and also "that slavery was the sum total of all human villanies." After two years' experience in the New World he left America. He arrived on the shores of the Continent in 1735, and in 1738 he left America, speaking those emphatic words, "I shake the dust from my feet."

And yet it was this visit to America that became of great service to the spiritual life of this eminent man and servant of God. It was on that day, when out on the Atlantic, in the midst of a mighty storm, he observed men and women who, while the storm was howling, and the waves were dashing over the boat—that great storm so typical of the storm of life—he saw with astonishment that these plainly dressed people were Moravians German men and women, who were quiet—the women knitting while an awful death stared them in the face. Mr. Wesley, with all the experience he possessed, was surprised, as he said to them, "How is it that you can be thus placid in the midst of this storm?" and they gave him that ever-memorable answer, which ought to be engraved on the soul of every person, "the Christian is never afraid to die." It was not the vauntings of mere worldly courage—it was the deep faith that strengthened the soul in time of terrible danger.

He returned to London, and wended his way up Fleet street, up a narrow lane, goes into a little meeting-house where the Moravian brethren and sisters pray; he mingles his voice in prayer with them, and of its earnestness, all have but to think of the emotion that swayed him on board the vessel on the stormy Atlantic. He was there a devoted church clergyman. Fired with zeal, he resolved, if possible, to devote himself to greater energy in the service of the Church of England.

Instead of being eloquent in declamation, instead of being excited in intense frenzy, it is our duty to say that Wesley was a quiet preacher, persuasive, with a knowledge of the wants of human nature—with marvellous knowledge of the Gospel, with the most intimate familiarity with the weakness and gratifications of men, with great powers of appealing and denunciation.

Wesley entered into a conversation with Whitfield on certain questions touching doctrinal matters, in which they materially differed. Wesley preached the Lutheran justification by faith. Whitfield differed on certain definitions.

It was this great teaching of Wesley that led so many to conversion and Christianity, where must be found the highest order of Christian perfection. Wesley soon created a strong feeling. I know not how far this extended, but one thing I know is certain, there was a feeling that led to the conversion of thousands. Drunkards were made sober; blasphemers were delivered from blaspheming, and clothed in their right mind. They entered the Church, they sang with psalms in their hands, "Hallelujah! hallelujah!"

In the year 1744, while laboring earnestly, the spirit of persecution broke forth against Wesley. A great change spread through England. But there met a small congregation of Methodist preachers beneath the old towers, where, during the excitement, clergymen could pray. Here then was another change, a mighty change, that must lead the way to still greater changes, of which Wesley, in the company of Whitfield, led the way, and revivals spread throughout the land.

It was the puritanical power that saved the nation. The praying Christian soldiers were disbanded; but it was this disbanded army that kept up the religious zeal of the nation, and made it grow in strength and Christianity. It was the Puritan element, the true clergy—such men as Baxter, John Bunyan, and those other God-fearing men—that maintained this all-pervading Christianity, and brought the nation to the light of true holiness and power.

At first Wesley did not design to create Methodist churches, though he urged his friends to commune in the Established Church and not weaken the discipline of it. He urged this incessantly, until he learned by experience that where two or three are gathered together in the name of Him who created all things—our Lord and Saviour—that that gathering was a portion of the Church of Christ.

Thus it was by small companies that the formation of these Methodist societies were commenced—extending all over the world—and a portion of which I stand in to-night. Thus you see this light of Christianity has come forth in the building up of this great community.

It was late in life that Wesley ventured to marry. A dangerous thing to do (laughter) and for Wesley it was an unfortunate mistake. She was a lady, I am sorry to say, of a worldly disposition, of no kindly feelings, not having the love of a true woman. Yet Wesley endured this great sorrow. It was a source of intense misery, this mis-union, which might have yielded to him great happiness. They lived miserably together for a time; the lady left him, and he brought her back. Once more, and again, did she leave, until he said, as he wrote in his journal, "I did not forsake her! I did not dismiss her! I will not recall her." (Applause.)

From this time Wesley worked hard and steadily for the extension of Christianity. He called upon the churches to assist him in the work of evangelizing the country. All manner of men were called upon, and thousands went forth to engage in the controversy. From the farm and workshop they came, unlettered, yet with the spirit. One old man will long be remembered in the work of Methodism—old Billy Dawson—uncouth though he was, yet possessed of rare gospel power in giving the great truths to the people.

Wesley founded this Methodist Church, strengthened its power, covered the country with lay preachers, and devoted himself to the work of Christ.

At length a great change came over the nation, and this servant of God, this devout child of religion, this earnest worker, was seized with an illness in that memorable year of 1791. The sad news was sent through the country—to Ire, to friend—that he had departed this life of toil. The sympathy of his fellow men in his last moments, and hallowed remembrance of his memory, were everywhere fel[illegible]

Go into America, from America to England, England to France, France to the countries across the continent—there is scarcely a portion of the earth in which the name of John Wesley and his labors are not known. He was a small, neatly made man, with a clear round face and bright eye, black coat and shoes without buckles.

The companion of scholars, the friend of saints and sinners, a man who moved among the lowly as much as he accepted the hospitality of the influential and rich. With rare power of conversation, a man of great taste and amiability, he tried to break slavery's bonds; he lived to draw the masses into the love of Christ, of God, and humanity.

If any man ever lived who deserved the homage of the right-minded of every church, that man was John Wesley—worthy of the great love of all people, for the incalculable good done us.

We are the children of saints and sages. We are the children of those who were persecuted for righteousness' sake, and we should take up the burden that John Wesley bore, and carry it on. He did also the banner of the cross and the torch of true spiritual enlightenment.

I rejoice to tell you, although there is yet deadness in some parts, that there never was a time when so many devout men were engaged in the Church of England in the earnest work of evangelizing our country.

I rejoice to say that there is life in all directions, not only in the parent body, but in all bodies springing from its loins.

I pray that the fraternal affection and friendly intercourse that I enjoy this night as I stand in the presence of American Christians, may continue and grow between the two countries, England and America, the leaders and the strengtheners of the cause of Protestantism in the world. I was invited, before I left Liverpool, to a young men's Christian meeting, presided over by the Mayor, and they gave me a mess ge to tender to the Christians of America, their earnest love, and desire that fraternal affection and brotherly sympathy with this country and with all the earth may continue.

My dear friends, I tender you the message. I trust nothing may occur to create war between these two sublime nations. Of course, in England, there are persons and parties inimical to this republic and to the Protestant cause.

But the mass of the people are at peace with you. The *Alabama* claims shall be settled, and no honor lost. (Applause.) This is the earnest wish of all your true friends on the other side of the water. (Applause.) All of the misdeeds that were committed during the late war by persons in England, were committed by traitors to my country and enemies to yours. (Applause.) May we work for the great mission to light all the world with the truth of God, to carry the knowledge of the Gospel around the globe, and at once bar out all superstition, and overthrow ignorance by the power of Christian affection—thus proclaiming everywhere that the Lord God Omnipotent reigneth, and thus serve the Lord, who, through the Gospel, shall everywhere shower blessings on free men. (Great applause.)

FELT HATS.

VELVETS, FEATHERS, AND FRAMES.

WOOD AND CARY, No. 725 CHESNUT STREET.

BONNETS AND HATS REDUCED.

RIBBONS, FLOWERS, AND JETS.

BONNET MATERIALS.

AUCTION SALES.

B. SCOTT, JR., AUCTIONEER, No. 1020 CHESNUT STREET. 2 15

SCOTT'S ART GALLERY.

CARD—We have concluded, during the month of December, to make sales of goods suitable for the approaching Holidays, every morning at 11 o'clock and every evening at 7½ o'clock. Ladies and gentlemen wishing to attend these sales will find the company of the most recherche character.

N. B.—Consignments respectfully solicited. 12 4

LAST GREAT SALE THIS SEASON OF FAMED SHEFFIELD PLATED WARE, JUST ARRIVED PER CUNARD STEAMSHIP "ALEPPO" FROM THE CELEBRATED FIRM OF JOSEPH DEAKIN & SONS, MANUFACTURERS BY ROYAL AUTHORITY: SPRING STREET WORKS SHEFFIELD, ENGLAND. B. SCOTT JR. WILL SELL BY AUCTION, AT THE ART GALLERY, No 1020 CHESNUT Street,

On Wednesday and Thursday Mornings, 5th and 6th instants, at 11 o'clock, an elegant assortment of best quality patent electro and plated ware, ivory table and pocket cutlery, direct from the establishment of Joseph Deakin & Sons Sheffield, England consisting of gold-lined tea sets; card receivers with vases; kettles and stands, with and without lamps; fruit-stands, ice pitchers wine sets, 4, 5, and 6 bottles cut glass dinner and breakfast castors; syrup pitchers, tea pot stands claret jugs, dish covers, epergnes cake baskets, round and oval trays, 10 to 20 inches; toast racks, egg stands, nut crackers, knife rests, napkin rings, etc. etc.

ALSO,

Pearl handle table knives in cases of 6 and 12; dessert knives to match; ivory and plated handle fish-carvers in morocco cases, etc. etc.

ALSO,

Dinner and dessert spoons and forks; soup and sauce ladles; gravy spoons, in plain, King's and beaded patterns.

Full particulars in catalogue. [12 1 4t

FINE MODERN OIL PAINTINGS.

On Thursday and Friday Evenings next, 6th and 7th instant, at 7½ o'clock, at Scott's Art Gallery, No 1020 Chesnut street, about 200 fine modern oil paintings by some of our most talented American artists. Open for examination on Tuesday. 12 1 6t

PANCOAST & WARNOCK AUCTIONEERS, 518 No. 340 MARKET Street.

LARGE POSITIVE SALE OF 800 LOTS AMERICAN AND IMPORTED DRY GOODS, MILLINERY, AND HOSIERY GOODS, ETC., by Catalogue, on a Credit.

On Wednesday,

December 5, commencing at 10 o'clock, comprising a large and general assortment of seasonable goods for present sales 12 3 2t

ALSO,

On Wednesday, December 5,

50 cases brandy, Bourbon whisky, French arrack punch Berlin gertreide kuemmel.

— cases assorted liquors. 1t

DRY GOODS.

BLANKETS.

WILL OPEN THIS DAY,

FIVE CASES

Very Fine Extra Large Size

BED BLANKETS.

Some of the Finest Goods Ever Made in this Country,

Will be sold VERY LOW, on account of Slight Machinery Stains while being manufactured.

J. C. STRAWBRIDGE & CO.,

NORTHWEST CORNER

EIGHTH AND MARKET STS.

J. C. STRAWBRIDGE & CO.

WILL NOW SELL,

AT

GREAT REDUCTION,

THE ENTIRE BALANCE

OF

Their Very Elegant Stock

OF

LADIES' CLOTHS

AND

SACKINGS.

J. C. STRAWBRIDGE & CO.,

NORTHWEST CORNER

EIGHTH AND MARKET.

J. C. STRAWBRIDGE & CO.

SILKS! SILKS! SILKS!

GREAT REDUCTION.

Cheap Black Silks,

Cheap Fancy Silks,

Cheap Moire Antique Silks,

Cheap Corded Silks.

DRESS GOODS!

Balance of Stock at Reduced Rates.

50 PIECES OF PLAIN DELAINES, AT 25 CTS.

10 PIECES FIGURED MOHAIRS, 35 CENTS.

EXTRA WIDE PLAID MERINOES, $1.

HEAVY PLAID POPLINS, $1·25.

FINE BLACK ALPACAS, 62 CENTS.

BALMORALS!

1 CASE BALMORALS, a Great Bargain, $1·75.

1 CASE BALMORALS, a Great Bargain, $2·25.

1 CASE BALMORALS, a Great Bargain, $2·75.

11 30 3tdp

DRY GOODS.

FINE VELVET BEAVER CLOTHS.

EDWIN HALL & CO.,

No. 23 SOUTH SECOND STREET,

OPENED THIS MORNING,

ANOTHER BALE OF FINE QUALITY

Velvet Beaver Cloths,

OF EXTRA WIDTH.

They are rolled single fold by the manufacturer, to avoid the mark that is usually made by being rolled double. 12 3 2t

PRICE & WOOD,

N. W. Corner EIGHTH and FILBERT,

HAVE JUST OPENED

Several lots of FANCY GOODS from a late auction sale, consisting of Toilet Sets, Toilet Glasses, Work Boxes, Travelling Companions, Glove Boxes, Pencil Boxes, Match Boxes, Ash Stands, Portemonnaies and Purses, etc.

DRY GOODS AT REDUCED PRICES

Bleached and Unbleached Muslins.

Canton Flannels, All-wool and Domet Flannels, Shaker Flannels.

Bleached and Unbleached Table Linens, Napkins and Towels.

HDKFS.! HDKFS.! HDKFS.!

Several lots of embroidered Hdkfs. from auction, very cheap.

Just opened, 500 dozen Ladies' Hemstitched Hdkfs., all qualities, of the celebrated manufacture of Bertrand Mitcent, France.

Ladies', Gents', and Children's Merino Vests and Pants, very cheap; Ladies' and Children's Hosiery and Gloves.

Just opened, 50 dozen more Ladies' Cloth Gloves, at 50 cents a pair.

PRICE & WOOD,

N. W. Corner EIGHTH and FILBERT Sts.

N. B.—Daily receiving, New Goods, suitable for Holiday Presents. 10 22

GREAT REDUCTION OF PRICES

Having purchased at the late Auction Sales goods of late importation, sold at a great sacrifice, and with a general reduction of prices on my entire stock, I am enabled to offer great inducements to buyers.

LADIES, NOTE THE PRICES!

LUPIN'S FABRICS

Lupin's Merinoes reduced from $1·25 to $1

Lupin's Merinoes reduced from $1·37½ to $1·12½.

Lupin's Merinoes reduced from $1 50 to $1·25

Lupin's plain Rep Poplins reduced from $1 25 to $1.

Lupin's best quality reduced from $1 5/ to $1 25

IN ALL THE CHOICE SHADES.

40 pieces of Empress Corded Poplin, a yard and an eighth wide, a full line of colors only $1·25

Rich Plaid Poplins, at $1, $1·25, $1·50, $1 37½.

Our $2 rich Silk Plaid Poplins reduced to $1·50.

FROM AUCTION.

Several lots of striped Poplins a bargain.

JUST RECEIVED.

One case of corded Silk Epinglines, price $1·50. These goods are novelties, and are selling with great rapidity.

A complete assortment of Irish Poplins; best good $2 20

Daily receiving New Goods from auction.

BALMORALS! BALMORALS!

Full, large size, in bright colors, heavy, only $2.

A full line of Sheeting, Shirting, and Pillow-case Muslins.

FLANNELS! FLANNELS!

A large stock at low prices

One case of extra heavy Canton Flannels, only 25c.

C. D. WISHAM,

9 22 stuth3m No. 7 N. EIGHTH Street.

BLANKETS, BLANKETS,

AT GREATLY REDUCED PRICES.

All-wool Blankets, $4, $4 50, $4 75.

All-wool Blankets, $5 $5·50, $6.

Extra heavy all-wool Blankets $6 50, $7, $7·50

Very fine and heavy all-wool Blankets $8 $8·50, $9.

Very fine extra heavy all wool Blankets, $10 and $15.

FRENCH CHINTZES.

We have just closed out the balance of a jobber's importation of Gros, Odier & Co.'s best French Chintzes, which we intend to sell at

50 CENTS.

As low as they were ever sold without a premium on gold; a lot of the choicest styles.

6-4 ENGLISH MERINOES.

$1 quality all colors reduced to 75c.

$1 12 do do do 75c.

$1·15 do do do 80c.

$1·25 do do do 85c.

3-4 ENGLISH POPLINS.

3000 yards of 62½c. Plaid Poplins reduced to 25c.

5/8 yards of 75c. Plaid Poplins reduced to 37½c.

62c. double width Plaid Poplins reduced to 37½c

500 yards of Cloth Plaids reduced to $1 cost $1·50.

$2 gay Plaid Poplins reduced to $2

$2 25 do do do $1·50.

$2 do do do $1·25.

Dress Goods of every variety at lower prices than they have been sold for the last six years. We have some of the cheapest Dress Goods in the city; all bought at a tremendous loss to the importer.

H. STEEL & SON,

12 3 3t Nos. 713 and 715 North TENTH Street.

INDIA SHAWLS.

INDIA CAMEL'S HAIR SHAWLS

INDIA SCARFS,

GEORGE FRYER,

No. 916 CHESNUT Street,

Invites the attention of purchasers to his recent Stock of REAL INDIA SHAWLS AND SCARFS, at very moderate prices. 11 27 6t4o

LADIES' CLOAKS,

NOW OPEN.

A FINE ASSORTMENT IN ALL THE BEST MATERIALS AND NEWEST DESIGNS, AT

ACNEW & ENGLISH'S,

11 28 wfmlm rp] No. 25 S. NINTH St.

FOURTH EDITION

FROM EUROPE THIS P.M.

By Atlantic Submarine Telegraph Cables

THE FENIAN TROUBLES.

More "Stamping Out" [Schemes

Heavy Failure in Manchester.

French Troops Leave the Papal States

John H Surratt to be Sent to America

To the U. S. and European Associated Press.

THE ASSASSINS.

Confirmation of the Arrest of Surratt—He is to be Sent to the United States at Once.

ROME, December 4—Noon.—John H. Surratt, implicated in the assassination of the lamented President Lincoln, has been rearrested in Egypt, and will be forwarded to the United States under a proper guard as soon as possible.

THE FENIANS.

A Macedonian Cry from Cork—Loyal Irishmen to be Enrolled.

DUBLIN, December 4—P. M.—The Police Justice of Cork have sent telegraphic despatches to the authorities here, asking for more troops to preserve the peace of that city.

The enrolment of loyal Irishmen in Ireland has been ordered by the Government.

The Government is determined to crush out the rebellion the moment it breaks out.

THE PAPAL STATES.

The French Troops Evacuate the 'Holy City."

ROME December 4—Noon.—The evacuation of this city by the French troops has commenced.

GREAT BRITAIN.

Heavy Failure in Manchester.

LONDON, December 4—P. M.—Accounts have just been received of the failure of Messrs Croost & Son, of Manchester. Their business was an immense one, and it is reported that their liabilities are heavy.

Liverpool Cotton Market.

LIVERPOOL, December 4—Cotton has declined ¼d. since yesterday. Sales to-day 8000 bales Middling Uplands 14 ¼.

FROM WASHINGTON THIS AFTERNOON.

[SPECIAL DESPATCHES TO EVENING TELEGRAPH.]

WASHINGTON, December 4.

The Arrest of Surratt, and His Probable Destiny.

The first definite indications received by the Government of the whereabouts of John H. Surratt, was information that a person resembling Surratt, and speaking the English language, was serving in the Papal Zouaves. Directions were sent back to take steps cautiously for his arrest, so as not to alarm him.

In escaping to Egypt, he got out of the frying-pan into the fire, as we have a full extradition treaty with that country. He will be brought to Washington direct by water, by Admiral Goldsborough; and as military courts are past, he will be tried in the District Supreme Court by Judge Carter. When executed he will be buried by the side of his fellow-conspirators, including his mother, in the Arsenal grounds.

Political Matters.

Measures will be taken to contest the seats of Messrs Phelps and Stewart, of Maryland, on the ground that they were elected by persons disfranchised for disloyalty by the Constitution of Maryland.

President Johnson has within a day or two indicated a determination not to approve any bill establishing negro suffrage unless by the consent of the States affected.

CONGRESSIONAL PROCEEDINGS.

Senate.

WASHINGTON, December 4—Mr. Sumner gave notice of his intention to introduce to-morrow a series of resolutions, declaring the entire control of Congress over the subject of reconstruction, and the right to exclude the lately rebellious States from representation in Congress, and from voting on amendments.

A motion to take up Mr. Chandler's resolution, offered yesterday, calling for information about Mexican affairs, was lost.

Mr. Chandler called up the bill passed by the House yesterday, repealing the section of an act of 1862, giving amnesty powers to the President.

Mr. Chandler's motion was lost, and the Senate then adjourned.

House of Representatives.

The House met at 12 o'clock. Prayer by Rev. Dr Boynton. After the reading of the journal, Mr. Washburne (Ill.), from the Committee on Rules, reported an additional rule, that there shall be appointed at the commencement of each Congress a Standing Committee on Freedmen's Affairs, to consist of nine members, whose duty it shall be to take charge of all matters concerning the Freedmen that shall be committed to them.

The speaker presented a report from the Secretary of War in reference to Indian hostilities, which was ordered to be printed.

The House then took up the bill amendatory of the act on banking and currency.

Mr. Hooper (Mass.) moved to recommit the bill to the Committee on Banking and Currency.

Mr. Randall (Pa.) said that the bill had occupied the attention of the Committee for nearly six months during the last session. It had been matured after full consideration, and he feared that if it was now recommitted, it would lose its present status. The reforms which it seeks would be thereby defeated, and he hoped it would not be recommitted.

The Message in Richmond.

RICHMOND, December 4—The President's Message was very favorably received here. The city papers commend the spirit in which it is written, and recommend the people of the South to appreciate the efforts of the President in their behalf, considering the strong opposition he has to encounter.

There was a violent storm of wind and rain here early this morning. The skeleton walls of several burned buildings were blown down, but no considerable damage was done.

Arrival of the "Propontis."

By the New York Associated Press.

BOSTON, December 4.—The steamer *Propontis*, from Liverpool, has arrived. She brings dates to the 20th ultimo, and carries two hundred passengers.

Latest Markets by Telegraph.

NEW YORK, December 4—Cotton firm, but quiet, owing to bad weather; Uplands, 33@33c.; New Orleans, 35@36c. Flour dull; State $7·50@11 15; Ohio, $10@13; Western, $7 50@11 80; Southern, $11·20@16. Wheat dull and lower. Corn dull and declining. Oats dull and heavy. Beef quiet. Mess Beef, $12@18; extra Beef, $17@22. Pork dull and lower; mess, $21@21 75; prime, $19@19 50. Lard dull. Whisky dull.

NEW YORK, December 4—The Money Market is active at 6 per cent. Sterling Exchange active at 9½ per cent. for 60 days, and 10½ for sight. Five-twenties, 1862, registered, 106@106; Five twenties, 1862 coupons, 108@108; do 1864, registered, 106½; coupons, 106½@106; do. 1865, c'oupons, 107@107; new issue, 108@108; Ten-forties, coupons, 103@103; Seven-thirties, first series, 105½; second series, 105½@105½; Missouri 6s, 89@91. Stocks strong. Canton Company, 47½; Cumberland, 70; Western Union Telegraph Company, 46½; New York Central, 113½; Erie Railroad, 73½; Hudson Railroad, 122½; Reading Railroad, 112½; Michigan Central, 115; Michigan Southern, 82½; Illinois Central, 119½; Pittsburg and Cleveland, 86½; Cleveland and Toledo 113½; Rock Island and Chicago 104½; Northwestern, 51½; Pittsburg, Fort Wayne, and Chicago, 106½.

AUGUSTA, Georgia, December 3.—Cotton dull; 170 bales of strict Middling at 31c. Savannah Cotton is very dull; a few sales of Middling at 32c.

LEGAL INTELLIGENCE.

Court of Quarter Sessions—Judge Peirce.—This morning, the first business day of the term, found but few persons at Court. The grand jury numbered but six representatives from Moyamensing—five white, and one of a deeper shade—consequently there were but six prison cases before the Court.

BAR-ROOM FIGHT.

James Canaldine pleaded guilty to a charge of assault and battery upon Michael Filbine. On the night of the first Monday of last September Filbine and a friend went into the Walnut Street House, near the wharf, to take a glass of ale. While they were at the counter Canaldine and another man entered the room, and stood for some time by Filbine. When Filbine started out Canaldine struck him two severe blows with his fist, one in the mouth and one in the ear. As counsel for Canaldine stated that if a little time were given he would produce testimony that would in a great degree mitigate the circumstances of the fight, the case was continued until Saturday.

A HEAVY LARCENY.

Sigfried Ulman was convicted on a charge of the larceny of two watches and chains and one coat, altogether valued at $365, the property of Emanuel Mandelschen. Ulman boarded with the prosecutor, and was treated as one of the family. But on the night of November 9th, the evil spirit came and tempted him. He, a poor, weak mortal, yielded, went to the room where Mandelschen was sleeping a deep, sweet sleep, not dreaming of harm; and then, at the dead hour of night he used his fingers nimbly, and carried away his prizes, the articles mentioned in the bill.

This gay cavalier was, a day or so after, having his boots blacked on Delaware avenue, and enjoying a fine Havana, when a nimble apparition, in the shape of a detective, came across his dreams. This apparition soon turned to a reality, took him up, and recovered the stolen goods. Mr. Levy, the detective, returned the articles promptly to the owner, who, upon sight, recognized and identified his property.

NOT GUILTY.

Hamilton Crowsy was acquitted of a charge of the larceny of a coat, valued at $30, the property of Robert B. Brant. Brant, the defendant, and another man, were in a saloon together where the coat was hanging on the wall. Brant went out, and saw the defendant's friend go on, but saw nothing on him. When he came back the defendant was gone, and also the coat. But there was no evidence against Crowsy; he was not seen to have the coat, and when there was no one at all in the saloon, some one might have come from the street and committed the theft.

John Schick was found guilty of a charge of assault and battery upon Mary Fritz, and recommended to the mercy of the Court. It was a row that occurred at a hydrant that supplied five or six families with water.

A BLACK THIEF.

James Douglas a pirate of color, was convicted of a charge of the larceny of a silver watch valued at $20, the property of Lewis Dennis. Douglas put up for a while at Dennis's house, and at the expiration of the time, went away with the watch—vanished. But one of the "sniffers" was soon on his trail and soon upon him. He was searched, and upon him was found the missing treasure, which fact was very conclusive evidence that he stole it.

Thomas Doran a small boy, was convicted on a charge of the larceny of $11 the property of Antoine Herman. The evidence was that while Mr. Herman was absent from the store, the boy entered and stole the money.

United States District Court—Judge Cadwalader.—There being no cases ready for trial, the petit jurors were this morning discharged for the term.

The current motion lists are before the other Courts to-day.

SALE OF REAL ESTATE, STOCKS, ETC.—Thomas & Sons' sale of stocks and real estate took place to-day at 12 o'clock, at the Merchants' Exchange, with the following result:

58 shares Phœnix Insurance Co	$4·00
40 shares Atlantic and Ohio Telegraph Co	Not sold.
22 shares Continental Hotel, preferred stock	$39 00
25 shares American Anti-Incrustator Co	$60·00
1 share Philadelphia Library Co	$27·00
2 shares in the Mercantile Library	$7 50
3 shares Broad Mountain Vein Coal Co	$1·00
1 share Academy of Fine Arts	$21·00
3 shares Insurance Co. of the State of Pennsylvania	Not sold.
Lot on the intersection of Chestnut Hill and Germantown turnpike and Chestnut Hill avenue	$11 00
Lot, Master street, east of Twenty-third	$5100
Lot, Twenty-second and Dauphin streets	$1350
Dwelling No 2241 Sharswood street	$1400
Two 2-story brick dwellings Nos 2245 and 2247 Sharswood street	$1400 and $1350
Three-story brick dwelling, No. 108 N. Sixth street	Not sold.
Three story brick residence Sixth street north of Poplar	$5800
Two story brick dwelling, Sixth street north of Poplar	$7000
Farm 88 acres, Upper section township, Montgomery county, Pa	$5000
Five-story iron front store, No. 208 Strawberry street	Not sold.
Two-story brick stable and coach house Nos 665 and 667 Weaver street	Not sold.
Iron foundry Green street, between Front and Second and Race and Vine	Not sold.
Three story brick tavern and dwelling, No. 1642 N. Tenth street	$6300
Three story brick building, S. E. corner of Seventeenth and Poplar streets; 3-story dwelling adjoining, on Poplar street	$3500
Five 4-story brick dwellings, Nos. 1734, 1736, 1738, 1740 and 1742 Sansom street	Not sold.
Four 4-story brick dwellings Nos. 1733, 1735, 1737, and 1739 Cranberry street	Not sold.
Three 4-story brick dwellings, Nos. 311, 313 and 315 S. Twentieth street	Not sold.
Eight well-secured ground-rents each $36 a year	Not sold.
Three-story brick store and dwelling S. E. corner of Thirty-seventh and Haverford streets	Not sold.
Three story brick store and dwelling Haverford street	Not sold.
Three story brick dwelling, Haverford street	Not sold.
Three-story brick dwelling, No. 226 Chester street	Not sold.
Three story brick dwelling, No 836 Wharton street	$1400

Philada. Stock Exchange Sales, Dec. 4

Reported by De Haven & Bro., No. 40 S. Third street

BETWEEN BOARDS

$200 City 6s new	c&p 99⅞	49 sh Penn R	54¼
$500 do	c&p 99⅞	10 sh do	54¼
$5000 do	c o c 96	100 sh Maple Sh	2¼
$500 U S 10 40s	100¼	100 sh Ironmount	56
$10000 5-20s 65 Je & J	108	100 sh do	s 0 56
$25000 U S 7s-30s Je	105¼	100 sh do	s5 56
50 sh Leh Nav	57½	20 sh do	56
100 sh do	2d 56	100 sh Cam. pf	s30 28½
10 sh do	56¼		

SECOND BOARD.

$500 City 6s, n. c&p	99⅞	14 sh Penna R	54
$2000 do	99⅞	4 sh do	54
$1000 do	99⅞	200 sh Read	ots 56
$9000 U S 7 30s Je	105¼	100 sh do	b5 56·31
50 sh Del Div	57	100 sh do	b5 56
200 sh Cata pf	28¼	21 sh Cam & A	130
100 sh do	28¼	3 sh do	s5 130

JAMES McMULLAN,

Successor to J. V. Cowell & Son,

Has just received his first FALL IMPORTATION of

ENGLISH BLANKETS.

These goods were ordered in the Spring, and made expressly for JAMES McMULLAN by the same manufacturer that J. V. COWELL & SON were supplied with for many years, and will be found very superior for family use.

A LARGE SUPPLY OF

AMERICAN BLANKETS

Selling at Greatly Reduced Prices.

A full assortment of real WELSH AND AMERICAN FLANNELS always on hand.

His stock of GENERAL HOUSE-FURNISHING DRY GOODS is complete with the very best goods at the lowest rates for CASH.

HOUSE-FURNISHING DRY GOODS STORE,

10 28 1m] No. 700 CHESNUT Street.

GREAT FALL IN DRY GOODS.

Having purchased largely at the late sacrificing prices, we are prepared to sell TWENTY-FIVE PER CENT. BELOW OLD PRICES.

Williamsville Muslin at 35½ cents.

Torresdale Muslin at 31¼ cents.

Wamsutta Muslin at 37½ cents.

Brown Sheetings very cheap.

Large assortment of Flannels from 25 to 37½ cents per yard.

Heavy Canton Flannels, 25 cents.

CLOTHS for Ladies' Cloakings, from $1 75 to $10 per yard. Full stock.

LYONS VELVET, 819, worth $15, warranted a perfect VELVET from $11 to $22 per yard.

Constantly on hand, a full line of HOUSEHOLD FURNISHING GOODS at prices below competition.

McCURDY & DUNKLE,

No. 140 North EIGHTH Street.

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